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Acronyms and Abbreviations

ACC	Amman Chamber of Commerce
ACI	Amman Chamber of Industry
ACM	Arab Common Market Agreement
AFM	Amman Financial Market
AFTA	Arab Free Trade Agreement
AMIR	Access to Microfinance & Improved Implementation of Policy Reform (Project)
AMO	Agriculture Marketing Organization
APC	Agricultural Policy Charter
ASEZA	Aqaba Special Economic Zone Authority
ASYCUDA	Automated Customs System
ATP	Amman Trade Point
BC-Net	Business Cooperation Network
BEC	Broad Economic Category
BIT	Bilateral Investment Promotion and Protection Agreement
BRE	Business Cooperation Center
BST	Business Support Team
CBJ	Central Bank of Jordan
CD	Customs Department
CPI	Consumer Price Index
DOS	Department of Statistics
EFTA	European Free Trade Association
EICC	Euro Info Correspondence Center
EPSD	Economic Policies and Studies Department
ESDP	Economic and Social Development Plan
EU	European Union
FDI	Foreign Direct Investment
FJCC	Federation of Jordanian Chambers of Commerce
FTA	Free Trade Agreement between Jordan and the USA
FTPD	Foreign Trade Policy Directorate
FZC	Free Zones Corporation
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GPA	Government Procurement Agreement
GST	General Sales Tax
GTZ	Jordanian-German Technical Cooperation
HACCP	Hazard Analysis of Critical Control Points
HCIP	Higher Council on Investment Promotion

Acronyms and Abbreviations (cont'd)

HECC	Higher Economic Consultative Council
HS	Harmonized System
I/O	Input-Output
IATIN	Inter-Arab Trade Information Network
IDD	Industrial Development Directorate
ILO	International Labor Organization
IMF	International Monetary Fund
IMP	Industrial Modernization Program
IP	Intellectual Property
IPI	Industrial Production Index
IPR	Intellectual Property Rights
ISIC	International Standard Industrial Classification (System)
ITC	International Trade Center
ITTN	International Technology and Trade Network
JEDCO	Jordan Export Development and Commercial Centers Corporation
JIB	Jordan Investment Board
JIC	Jordan Investment Corporation
JIEC	Jordan Industrial Estates Corporation
MAFTA	Mediterranean Arab Countries Free Trade Agreement
MENA	Middle East & North Africa Region
MFN	Most Favored Nation
MIT	Ministry of Industry and Trade
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
MOP	Ministry of Planning
MOPC	Ministry of Post and Telecommunications
MOT	Ministry of Transportation
MOTA	Ministry of Tourism and Antiquities
NFP	National Focal Point
NGO	Non-Governmental Organization
NIC	National Information Center
NIIN	National Industrial Information Network
NIS	National Information System
NPP	National Production Protection Law
NPPD	National Production Protection Directorate
NTMs	Non Tariff Measures
PBD	Public Budget Department
PCT	Treaty on Performances and Phonograms and the Patent Cooperation Treaty

Acronyms and Abbreviations (cont'd)

PHR	Partnership for Health Reform
PPI	Producer Price Index
QIZs	Qualified Industrial Zones
SITC	Standard Industrial Trade Classification (System)
SMEs	Small and Medium Size Enterprises
SPS	Sanitary and Phytosanitary Measures Agreement
STD	Sales Tax Department
TBT	Technical Barriers to Trade Agreement
TIFA	Trade and Investment Framework Agreement
TINIC	Islamic Trade Information Network
TRIPS	Trade Related Aspects of Intellectual Property Rights
TSU	Technical Support Unit
UNCTAD	United Nations Center for Trade and Development
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
VANS	Value Added Network System
WIPO	World Intellectual Property Organization
WPI	Wholesale Price Index
WTO	World Trade Organization

Executive Summary

Background

In recent years, Jordan has taken a number of significant steps to liberalize its trade and investment regime, mainly by joining multilateral, bilateral and regional trade arrangements and revising former laws on investment and implementing new ones. It has also established units within the Government to work on specific issues relating to trade and investment, such as the one that deals with World Trade Organization (WTO). Most ministries have launched websites and certain ones are investigating new tools for economic analysis. Nonetheless, the Government has not yet established a formal structure for trade and investment policy decision-making. Cooperation among different government ministries and departments remains problematic, as no single institution has been given general responsibility for oversight of trade policy development and negotiations. Furthermore, the Government has not undertaken research or analysis and lacks the capacity to do so, thereby depending largely on foreign consultants for such assistance. Lack of information, and access to it, have exacerbated the situation.

It is against this background that the current study was undertaken to identify (1) information required for effective trade and economic analysis; (2) existing sources of trade and investment economic data collected by the government; (3) additional sources of information that decision makers may require; and (4) mechanisms to exchange data among the ministries involved in analysis and formulation of Jordan's trade and investment policy. The study was conducted during May 2001 and is based on fieldwork that included extensive interviews with government officials in Jordan, technical personnel of the AMIR project, and staff of donor-funded programs. Data searches were undertaken primarily through government websites and to a lesser extent through publications. The report also draws on recent studies on information management, government legislation and e-government initiatives in Jordan to define the direction of trade and investment policy-making, so that current and future information needs can be determined.

Institutional Framework

Various institutions are currently involved in trade and investment in Jordan, resulting in a complex institutional structure for decision-making and policy formulation and implementation. Members of the Higher Economic Consultative Council, chaired by H.M. the King, provide advice on economic affairs and formulate the policies, strategies and specific action plans reflecting Jordan's priorities for sustainable development and integration into a global economy. The Prime Ministry includes two executive departments: the Information Department and the Economic Policies Unit. The main role of the former department is to gather and disseminate all types of information on the economy; that of the latter, which is in the process of being established, is to coordinate and provide integrated information and analysis of the various aspects related to Jordan's

trade and investment sectors. The Central Bank of Jordan is responsible for formulating and implementing Jordan's monetary policy; the Higher Council on Investment Promotion and the newly established independent Aqaba Special Economic Zone Authority, are involved in investment policy.

At the level of execution, mainly three government ministries, the Ministry of Industry and Trade, the Ministry of Planning and the Ministry of Finance, are involved in activities in trade and investment policy formulation and implementation. Line ministries such as Agriculture, Tourism, and Health contribute to the process with sectoral information. The Ministry of Industry and Trade considers itself is the primary body responsible for the formulation, coordination and implementation of overall trade policies. It has three affiliate institutions to implement its mandate: the Jordan Export Development and Commercial Centers Corporation (JEDCO), the Jordan Investment Board, and the Jordan Industrial Estates Corporation. The Foreign Trade Policy Directorate (formerly the WTO Unit) and the International Cooperation Directorate are two key units within the Ministry involved in trade and investment policy. The Ministry of Planning is responsible for macroeconomic issues and is charged with negotiating and implementing the Jordan-European Union (EU) Partnership Agreement; within that ministry the Competitiveness Unit and the Technical Support Unit are important in undertaking research and economic analysis. The Customs Department has been responsible for setting tariff policy at the national level. Lastly, the public sector is linked to the private sector through Jordan's 23 business associations. The associations play an important role in representing the economic and policy interests of Jordan's growing private sector, but the communication between both sectors on important issues of trade agreement negotiations is weak.

Despite the seemingly organized governmental structure, policy formulation and implementation are disorganized and uncoordinated in Jordan. Three major observations can be made about this situation. First, uncertainty exists regarding the role of major stakeholders in the formulation and implementation of trade policy, and in the integration and streamlining of institutional efforts. Second, the lack of interaction and coordination between the involved parties identified above and the non-institutionalization of the decision-making process have in many cases hampered the flow and quality of information and the in-depth analysis of issues. Third, the absence of a body over-seeing and verifying the context of information, analytical reports and final decisions has attributed to the confusion and inconsistency in the decision-making process.

Legal Framework

Jordan's membership in several multilateral, bilateral and regional agreements has resulted in the adoption of major economic and legislative reforms, especially those related to WTO membership. Within the WTO framework, Jordan has made commitments to liberalize services under the General Agreement on Trade in Services, trade in goods through tariff rate reductions, and also to comply with the Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, and Agreements on Customs

Valuation, Import Licensing Procedures, Technical Barriers to Trade and Sanitary and Phytosanitary Measures. The country is currently engaged in negotiations within the WTO on new agreements on agriculture, trade in services, and is considering accession to the Government Procurement Agreement (GPA). It has also undertaken steps to ratify and implement the World Intellectual Property Organization Copyright Treaty, the Treaty on Performances and Phonograms and the Patent Cooperation Treaty. At the regional level Jordan is a member of the Arab Common Market Agreement and the Arab Free Trade Area Agreement. Like the WTO, the regional agreements require Jordan and its trading partners to reduce import duties over a specified time frame; unlike the WTO, these arrangements exclude provisions to eliminate or make transparent certain non-tariff measures and liberalize investment and trade in services.

The Jordan-US Free Trade Agreement provides an important vehicle to expand trade between these two countries in both goods and services; it is now pending ratification by both countries' legislative bodies. It is especially important since it includes provisions addressing trade and the environment, trade and labor, and electronic commerce in addition to intellectual property right protection, balance of payments, rules of origin, safeguards and procedural matters such as consultations and dispute settlement. The Agreement is another important agreement, and calls for the gradual removal of trade barriers and the establishment of a free trade zone over 12 years. Jordan and nine of the fifteen EU countries have ratified the agreement, and implementation is pending. Under this arrangement, all industrial products and natural resources originating in Jordan would immediately enter the EU duty-free, while EU industrial products would benefit from annual and progressive duty reductions over the implementation period.

Jordan is also engaged in efforts to negotiate the Mediterranean Arab Free Trade Agreement, which is an agreement among the Arab countries that have concluded EU partnership agreements. The Agreement facilitates trade among its members in order to meet the rules of origin requirements stipulated in the various partnership agreements.

For the past two years Jordan has been pursuing negotiations to establish a free trade area with the members of the European Free Trade Association. In a manner similar to the Jordan-EU Association Agreement, the pact will provide for eventual free trade in industrial products, fish, and agricultural and processed agricultural products. Finally, Jordan has entered into bilateral trade agreements with at least twelve countries in the Middle East, which are generally based on the most favored nation principle, although some agreements with Arab countries included trade preferences.

Free zones have gained importance in promoting export-oriented industries and transit trade in recent years. Three free zones currently operate in Jordan: Amman, Aqaba and Zarqa. The qualified industrial zones provide duty-free treatment for products manufactured in designated areas and present another opportunity for Jordan to increase exports to the US markets and benefit from increased investment in the way of creating employment opportunities, facilitating technology transfer and modernization. Finally, the Aqaba Special Economic Zone was recently launched and is expected to attract substantial investments in tourism, light industry, telecommunications, information technology, transportation and services.

The legal framework for promoting exports and investment in Jordan is based on the Investment Promotion Law of 1995 and its enacted amendments for the years 1996 and 2000, which have as its objective the attraction, stimulation and guarantee of national and foreign direct investment and joint ventures. Other important legislation that Jordan has adopted or amended includes the Law on Copyrights, Law on Trademarks, Law on Patents, Law on Industrial Design and Integral Circuits and Geographical Indications, and the Law on Trade Secrets and Unfair Competition. Finally, the Law on Plant Variety Protection was recently enacted, thereby meeting all WTO obligations under the TRIPS Agreement.

The Ministry of Planning's (MOP) current Economic and Social Development Plan, which covers the period 1999-2003, lays out a master plan for the continuation of the economic and structural reform program that Jordan initiated in 1993. To date, the Ministry of Industry and Trade has not prepared a comprehensive trade and investment strategy. As a result of cooperation between the public and private sectors a comprehensive industrial sector modernization and development policy was recently approved and implementation is currently underway. The Ministry of Agriculture recently developed its Agricultural Sector Adjustment and Development Program for the year 2001-2010, with a focus on improving rural development and decreasing the agricultural trade balance deficit. Despite the adoption of these plans, an overall and integrated strategy for Jordan is absent. This situation is attributed to the use of general trade laws or sector-specific laws and regulations that serve as the only available criteria to identify each sector's potential and prospects for growth.

Initiatives Underway to Support Trade and Investment Information Networks

There are currently three initiatives underway to support trade and investment information networks in Jordan. The first is the National E-Government Task Force is moving Jordan forward in its plans to modernize the public sector. Five building blocks focusing on the following areas are expected to impact on government, businesses and citizens alike: (i) e-service applications identification; (ii) technology infrastructure development; (iii) educational reform and skills development; (iv) legal and regulatory framework development; and (v) management and organizational structure development. The EU programs that are currently underway are related to the Industrial Modernization Program that was in large part designed to facilitate the Jordan-EU Association Agreement. One of the most well known programs is the GTZ Program sponsored by the Government of Germany. The program recently shifted its focus away from information and towards the promotion of decision-support systems. GTZ currently is involved in five main activities: (i) tax forecasting within MOP; (ii) strategy-building using cluster analysis and most recently through knowledge management tools with the Competitiveness Unit of the MOP; (iii) mathematical model-building with the Technical Support Unit of the MOP, which is in its start-up phase; (iv) providing the Prime Ministry with alternate models of central Government decision-making at both the technical and institutional levels; and (v) providing managerial advice to the Ministry of Industry and Trade and assisting them in developing a strategic plan.

USAID is currently involved in improving economic statistics at the Department of Statistics (DOS) with the assistance of the United States Census Bureau. This project aims to use enterprise-based surveys as the basis for national accounts, and is currently working to improve survey sampling, questionnaire design, and data processing and documentation in both Arabic and English. The major problems that the project leaders have encountered in addition to those related to data are institutional in nature. Most notably, government employees have apparently resisted adhering to schedules involving updating, release and publication, which in turn has resulted in delays of data dissemination. The AMIR program is also supporting the e-government initiative by offering technical assistance in two applications: an automated environment for the management of business registrations and a telecommunications licensing service.

A three-year United Nations Industrial Development Organization (UNIDO) project aimed to improve the competitiveness of sub-sectors of the food industry having export potential is expected to begin within the next few months. It was developed in response to Jordan's imminent adherence to the WTO Agreement on Technical Barriers to Trade and the Agreement on Sanitary and Phyto-Sanitary Measures, which promote international guidelines and practices for quality and standardization. The national industrial information network is the project subcomponent that is of interest to the AMIR task at hand. The network will link information relating to the food industry sector through six nodes with one national focal point. The Amman Chamber of Industry was selected as the focal point, and the following government agencies were selected as the nodes: Ministry of Industry and Trade, Customs, DOS, JEDCO, National Information Center and Jordan Investment Board.

Conclusions and Recommendations

The current trade and investment information system in Jordan is fairly concentrated in three ministries –the Ministry of Industry and Trade and its affiliates, the Ministry of Finance and the Ministry of Planning-- and the Central Bank of Jordan. Despite this concentration, the system is uncoordinated and disjointed, and suffers from shortcomings at both the institutional and information levels. At the institutional level, Government employees rely heavily on informal channels to obtain information and often to make decisions. They appear to undertake minimal processing of information, especially in the area of statistical analysis and report writing, and do not circulate it since email use is limited and the distribution system is hindered by the requirement of a multitude of approvals. The output of information therefore reflects this flow: whether in the form of policies themselves, research analysis, statistical manipulation or web content, information is outdated, minimal presentation requirements are met and standards do not appear to exist in terms of quality or consistency.

At the legal level, Jordan has joined numerous multilateral, regional and bilateral agreements, all of which focus on liberalizing its economy to a certain degree. The numerous commitments and negotiations are uncoordinated and without a central focus, resulting in the fact that the agreements are actually shaping trade and investment policy rather than the other way around. This approach seems to stem from Jordan's desire to

overcome the fact that it is a small consumer market compared with its regional competitors such as Egypt, Lebanon and the United Arab Emirates.

At the information level, trade statistics by product and trading partner are available, as is information on international agreements, laws, company and trademark registration, technical commitments made under trade and investment agreements, matchmaking opportunities and a multitude of other topics. However, the existing information lacks detail, depth and consistency required in decision-making, and is difficult to access. Moreover, it is poorly organized on government websites and results in user frustration and loss of time. For example, disaggregated trade statistics are available but over a short time period that do not allow trends to be captured, are presented by different agencies in different trade classifications, and are not easily examined on websites. Other data that are required to make informed decisions, such as those on services, detailed foreign direct investment, and costs of production, simply have not been collected. Lastly, while improvements could be made to hardware and software, existing equipment under the current organizational structure is adequate at the work-station level for the most part; however, some servers require upgrading and the speed of Internet connections could be vastly improved with leased lines.

Given the above analysis of the institutional and legal frameworks, and the current information system in Jordan, the fundamental conclusions and recommendations include the following.

Define a Trade and Investment Strategy, followed by a Separation between Policy Formulation and Implementation

The fundamental constraint to effective decision-making stems in part from non-clarity and overlap in the roles of the institutions that formulate and implement trade and investment policy, which have led to confusion, repetition and often contradiction at various levels within the Government. Likewise, this institutional barrier has also resulted in the absence of integrated databases and redundancy in data collection. Steps should therefore be taken to (a) define clear roles in terms of formulation and implementation, preferably through legal mandate; (b) adopt a cohesive strategy for trade and investment within each Ministry and then for the country at the Cabinet level; and (c) establish a unit to monitor, evaluate, and require improvements of the overall system, including those related to trade and investment information. The placement of such an umbrella unit is currently being considered in the Prime Ministry.

Create a Centralized Point of Information Collection and Dissemination According to Topic or Responsibility

Another shortcoming from the institutional point of view is that a centralized point to collect and disseminate information on trade and investment does not exist. The absence of such a mechanism has resulted in analysis and decision-making based on inconsistent statistics and other information, and lack of access to legal text. It is also suggested that as the first step information be organized according to responsibility. Next, it is suggested that mechanisms be activated to inform other units and the general public of new developments. Similarly, information on decrees adopted and other legislation (proposed and actual) could be included on the website of the Prime Ministry.

Upgrading Technical Capacity at the Staff Level is a Prerequisite for Effective Decision-Making

In Jordan there is an acute absence of published reports based on traditional economic analysis that are undertaken by the Government. Nonetheless, the Ministry of Planning prepares sector studies using popular cluster analysis tools, and is considering using knowledge management tools to develop a strategic plan, while at the same time developing mathematical models to undertake impact assessments of trade agreements. The combination of these methodologies would help to create a balanced approach in economic analysis. Limited econometric work is undertaken by the Central Bank, although the Research Department would like to expand its activities in this area. The Ministry of Industry and Trade would also like to expand its research and analysis role through the Economic Policies Unit that reports directly to the Minister; this unit recently published a research report on regional trade, but the analysis appears basic.

This situation signals that the public sector likely lacks the capacity to undertake certain types of economic analysis that are necessary for effective strategy-building and decision-making. This constraint could be addressed by first defining a research agenda based on current and upcoming events, then carrying out studies with the assistance of international consultants who would work with local staff as a means of providing training to them. Finally, databases and methodologies developed in the course of the research could be institutionalized.

Expand Coverage of Trade Statistics and Economic Indicators to Enable Trend Analysis and Include in Web Databases

Information in Jordan, as in all countries, is usually provided in various formats on an intra- and inter-agency basis and to the public, and the level of difficulty in obtaining information often depends on its complexity and availability on a government website. Data integrity also appears to be an issue. Key users of trade statistics noted that the classification scheme of data used to construct balance of payment data has changed several times. It was also reported that year-end trade statistics are usually inflated because of accumulated misclassifications throughout the year. The last two complaints are especially important when considering the integrity of data.

Improve Key Government Websites

Websites have become the most useful and efficient way to channel all types of information inside and outside the Government to all types of users, including policymakers, negotiators and researchers. Despite the fact that the exchange of information is the primary goal, the quality of the content will lead to the site's success. Improvement through re-design of the key websites on trade and investment would help to remedy inconsistencies in design and improve the content of data by including long-term time series and other important information. Institutional action will be required, however, to ensure that web servers are operative after normal working hours and to promote the use of Internet as an essential information and research tool.

Create New Databases and Expand Existing Ones Essential to Support Upcoming Trade Negotiations and Policy Decisions

Jordan has an important base of information that needs to be fine-tuned, updated and expanded. Equally important is the need to create new databases of statistics and other information to support upcoming trade negotiations and policy decisions, and to make those databases user-friendly through queries and data series that present basic calculations such as market share and percentage growth over a certain time period. At the present time, several managers and technicians do not want or do not have the technical capacity to undertake basic calculations once they download data. This situation has resulted in a reliance on hard copy statistics and the interpretation of data without supporting statistical analysis.

Recommended AMIR Support

Given the timeframe remaining for AMIR, its budget constraints for both technical assistance and equipment, and the fact that a new UNIDO project will soon be launched to lay the groundwork for an industrial trade information network, it is recommended that AMIR focus its efforts on (a) improving the website design and content of certain ministries, (b) sponsoring key studies that also involve the creation of new databases, and (c) purchasing equipment and software if research support units are established within the Ministry of Industry and Trade and the Prime Ministry during the remaining months of AMIR's operation. Moreover, it is suggested that AMIR keep in close contact with UNIDO project managers to include complementary information at the international level on that network, which is currently focused at the national level.

Websites

AMIR has already initiated the redesign of the websites for the Customs Administration and the Foreign Trade Policy Directorate of the Ministry of Industry and Trade under its support for the E-Government initiative. Ministries whose websites could be improved using AMIR resources include: DOS, JEDCO and the Prime Ministry. The sites for DOS and JEDCO are more complicated than the one for the Prime Ministry in the sense that they contain large amounts of statistics and other information. The one for DOS, for example, would likely require programming to improve access to the data, while the one for JEDCO requires re-organization of site content and database layout. In all cases, website redesign should take into account the work currently going on under the UNIDO project, and expand it to the international level.

Studies

Table S.1 presents descriptions of seven studies that could be undertaken within the next six months to support upcoming trade negotiations and policy formulation. Plans for two of those studies, viz., impact assessment of the GPA and the potential of service exports to the United States, are already underway.

Closing Data Gaps

AMIR could also begin to fill data gaps for the studies noted above and also for future work. The most important type of databases that need to be compiled include: (i)

services, to be used in the upcoming GATS negotiations; (ii) FDI; (iii) costs of production data. In the longer term, the Government would benefit from AMIR's efforts to build databases on the industrial sector. In all cases work should begin as soon as possible since primary data must be collected from surveys and databases must be built. Moreover, mechanisms to ensure inter-agency coordination must be established to create the databases and maintain them. Recommendations for hardware, software and other equipment to support new and existing databases are included in Annex C.

Table S.1
Examples of Future Policy Studies Supported by AMIR, June-December 2001

Area	Study Description/Objective
A. General International Trade and Investment	
Issues Paper	Overview of current trade and investment situation in Jordan to highlight focal points for further in-depth study. Could become recurrent paper used as basis for work plan for trade negotiations and policy formulation.
Streamlining of Implementation of Trade Agreements	The roles of GOJ ministries involved in implementing the various trade agreements are unclear. Each agreement has a different tariff schedule and implementation scheme, and each has established similar committees, such as those on intellectual property rights (IPR). This situation has resulted in confusion and inadequate implementation. An institutional report would identify bottlenecks in the decision-making and implementation processes and make recommendations for improvements.
B. WTO	
Government Procurement Agreement (GPA)	To help prepare the Foreign Trade Policy Directorate in its upcoming GPA negotiations, this study would identify the impact on key industries of opening government bidding to external competition.
General Agreement on Trade in Services (GATS): Impact on Selected Sectors, such as Construction	WTO is currently negotiating its commitments to the GATS agreement; impact studies would provide quantifiable information on possible sector performance as a result of Jordan's commitments.
Agriculture	See Partial Equilibrium Model below in (F.).
C. Jordan-US Free Trade Agreement (FTA)	
Potential of Exports in Services to USA	Examine FTA benefits offered by the USA to Jordan and identify the specific benefits for exports of the following service sectors: tourism, financial services, and transport.
F. Modeling: Impact Assessments	
Partial Equilibrium Model	To help prepare the MIT, MOA and Customs for their next round of WTO negotiations, this approach would focus on the direct trade effects of tariff changes at a very low level of product detail. The results would offer information at the industry level and a useful first-cut for policy-makers to understand the effects of tariff reforms on the economy.
G. General Sector/Industry Studies	
Expansion of Sector Studies to Include Traditional Economic Analysis	At the present time, the sector studies undertaken by the MOP depend on one type of analysis. The extension of this analysis to traditional economic analysis would provide an added dimension to the study.

Note: This list represents an extraction of a complete list of projects presented in Annex B, Table B.1 that also includes details on requirements for information, indicates the availability of information, and suggests technical assistance needed.

Chapter 1: Introduction

A. Study Objective

This document represents the draft final report of the study on trade and information systems in Jordan conducted by the Policy Component of the AMIR Program. It intends to assess the information system currently in place in Jordan in order to identify areas for additional AMIR assistance that would improve decision-making and negotiations relating to trade and investment policy. As such, the analysis and recommendations presented in this report address the following specific areas:

- The identification of trade and investment information that should be collected for effective international trade analysis;
- The identification of government sources of such information, the methods used to collect, analyze and present that data, and a review of that information in terms of its quality and sufficiency for economic analysis of international trade;
- Identification of additional sources of information to which decision-makers should have access to conduct effective policy analysis; and
- Recommendations on a mechanism to facilitate the exchange of information among the ministries involved in the formulation and implementation of trade and investment policy in Jordan.

B. Approach and Organization of the Study

- ◆ Chapter 1 describes the objective and coverage of the study.
- ◆ Chapter 2 identifies the key government agencies involved in trade and investment policy formulation and implementation, outlines their responsibilities, and describes their inter-agency interaction on policy decision-making issues.
- ◆ Chapter 3 outlines the important legal obligations of the country under multilateral and other trade and investment agreements, and highlights the key issues in trade and investment policy, including important issues to be negotiated in upcoming rounds of international agreements.
- ◆ Chapter 4 presents a detailed inventory of information currently available in the public sector, and identifies information gaps.
- ◆ Chapter 5 presents the activities of the Government of Jordan, USAID and other donors in the field of information technology and information management.

- ◆ Chapter 6 presents conclusions and recommendations, and includes suggestions for future trade and investment-related studies and their information needs.
- ◆ Annex A presents the organizational charts of the key government and quasi-government agencies involved in trade and investment policy formulation and implementation.
- ◆ Annex B suggests analytical studies that could be undertaken with AMIR assistance to support trade and investment policy formulation; it also provides details on the types of information needed to conduct each study, its sources and availability, and the type of assistance needed.
- ◆ Annex C presents requests made by the various ministries involved in trade and investment policy for hardware, software and other equipment.
- ◆ Annex D lists the meetings conducted.
- ◆ Annex E provides the references.

Chapter 2: Institutional Framework

A. Introduction

Various High Councils and Government institutions are currently involved in trade and investment policy making in Jordan. An intricate web of relationships (Annex A: Figure A.1) reflects this type of arrangement and takes into account the diverse aspects of overall national and specific sector issues. Chaired by His Majesty the King, the Higher Economic Consultative Council (HECC) is at the top of the organizational chart. Headed by the Deputy Prime Minister for Economic Affairs, its members include various specialized Ministers, high-level public officials, and specialists and leaders of various services and industries in the private sector. The role of the HECC is to advise the government on economic affairs, formulate the policies, strategies and specific action plans reflecting Jordan's priorities for sustainable development and integration into a global economy.

The Prime Ministry includes two executive departments: the Information Department and the Economic Policies Unit. The main role of the former department is to gather and disseminate all types of information on the economy; that of the latter, which is in the process of being established, is to coordinate and provide integrated information and analysis of the various aspects related to Jordan's trade and investment sectors. Reporting to the Prime Minister, the Central Bank of Jordan (CBJ) is responsible for formulating and implementing Jordan's monetary policy; the Higher Council on Investment Promotion (HCIP) is responsible for investment policy formulation and implementation. Members of this Council include the relevant sector Ministers. A third body dealing with trade and investment policy formulation and implementation issues is the newly established independent Aqaba Special Economic Zone Authority (ASEZA). Reporting to the Prime Minister and Cabinet, this body is governed by six ministerial-level commissioners, each responsible for a major area of regulatory or operational activity. The role of the ASEZA is currently developing and becoming more prominent in inviting investment into Jordan and expanding the country's trade sector.

At the level of execution, mainly three government ministries --the Ministry of Industry and Trade (MIT), the Ministry of Planning (MOP) and the Ministry of Finance (MOF)-- are involved in activities in trade and investment policy formulation and implementation (see boxes in bold type in Annex A: Figure A1). Meanwhile, line ministries (such as Agriculture, Tourism, and Health) contribute to the process with sectoral information. The MIT considers itself as the primary body responsible for the formulation, coordination and implementation of the overall trade and investment policies. It has three affiliate institutions to implement its mandate: the Jordan Export Development and Commercial Centers Corporation (JEDCO), the Jordan Investment Board (JIB), and the Jordan Industrial Estates Corporation (JIEC). The MOP is responsible for macroeconomic issues and is charged with negotiating and implementing the Jordan-

European Union (EU) Association Agreement. The Customs Department of the MOF has been responsible for setting tariff policy at the national level.

B. Ministry of Industry and Trade (www.mit.gov.jo)

1. Overall Structure

The March 2001 re-organization of the MIT has resulted in the division and classification of all directorates at the Ministry into two distinct levels. The upper management level includes the independent Economic Policies Unit, the Companies Control Directorate and an associated Investor's Services Unit directly advising and reporting to the Minister and Secretary General (see Annex A: Figure A2). At the working level, three main Sub-Secretariats have emerged, each headed by an Assistant Secretary General. The three sub-secretariats are Financial and Administrative Affairs, Economic and Foreign Trade Affairs and Industry and National Trade Affairs, the latter two being the most important in terms of trade policy.

As described below, a total of nine entities are involved in the formulation of trade and investment policy in the MIT. The MIT is now working on the preparation of a comprehensive review of its administrative structure and detailed scope of work for all directorates in order to streamline responsibilities and improve work efficiency. The main entities working with trade-related issues are:

a. Three directorates --Foreign Trade Policy (formerly the WTO Unit), International Economic Cooperation, and Trade-- are core parties concerned with integrating both external and internal trade policy developments, and their regulation and implementation. These directorates are classified under *The Subsecretariat for Economic and Foreign Trade Affairs*.

b. The Industrial Development and the National Production Protection Directorates are the main parties involved with issues related to trade and investment of manufactured goods. These directorates are classified under *the Subsecretariat for Industry and National Trade Affairs*.

c. The Legal Affairs Directorate within the *Subsecretariat for Financial and Administrative Affairs* has as one of its main functions to ascertain whether commitments made in trade agreements are compatible with the national laws and regulations governing the respective activities in Jordan. This directorate also approves the legal text of the agreement before it is proceeds in the process of ratification to become a law.

d. The Companies Control Directorate is responsible for the execution and implementation of the Companies Law, registration of companies and supervision of their performance.

e. The Investor's Services Unit was established to facilitate investment queries and provide specific information requested by any investor.

f. The newly established Economic Policies Unit will also work with trade and investment related data and information matter to conduct research requested by either the Minister or Secretary General. However, the use of their output by the concerned directorates is unclear.

2. Core Directorates in Formulating and Implementing Trade Policy

a. Foreign Trade Policy Directorate (formerly the WTO Unit)

The Foreign Trade Policy Directorate (FTPD) is composed of a director and four technicians trained in the fields of economics and international trade policy, industrial and agricultural engineering and law. The main responsibilities of the staff include disseminating information on global trade developments, following up and coordinating efforts of the various line ministries to meet Jordan's World Trade Organization (WTO) commitments, and coordinating with responsible line ministries when negotiating further trade liberalization under the new WTO round on negotiations focusing on trade in agriculture and services. This department is key to the guidance of foreign trade policy formulation and implementation.

Other responsibilities include participation in free trade agreement negotiations with other countries with the objective of insuring adherence and compatibility with Jordan's WTO commitments, and undertaking notification tasks required by the WTO. Moreover, the Directorate will be responsible for the preparation of the *Trade Policy Review Report* for the WTO every three years, and acts as the enquiry point for WTO members on services issues. It is the Technical Barriers to Trade (TBT) Notification point, and carries out legal counseling in areas relevant to the WTO. Furthermore, this directorate is currently cooperating with the relevant government institutions as preparations are made to negotiate the Government Procurement Agreement (GPA).

Logistically, the FTPD is currently expanding to include two economists, who will work in the areas of trade in goods, dispute settlement and the information center. The staff member occupying the position of legal counsel was recently transferred to the National Production Protection Directorate to work on trade remedy issues. Even though the role of the Directorate is that of coordination, follow-up and negotiations, it is noted that personnel lack training in examining the consequences and impact of joining a treaty or an agreement. Personal interviews with current staff members indicated that little desire exists for specific training in the needed skills to conduct impact assessments, mainly because they lack formal training in the field of economics, and their time is allocated with other responsibilities.

b. International Economic Cooperation Directorate

The primary role of this directorate, and in cooperation with the Legal Affairs Directorate and other line ministries, is the preparation of trade and economic agreements and

protocol documents with both bilateral and multilateral trading partners and international and regional organizations. As administrators of these treaties and agreements, with the exception of the US-Jordan Free Trade Agreement (FTA), the WTO and the Jordan-EU Association Agreement, the Directorate is responsible for the follow-up of those agreements to which the Government has subscribed.

This directorate also maintains the mandate of conducting research and studies to evaluate and develop trade relations with individual countries, and regional and international organizations. Their responsibility also includes conducting analytical studies on Jordanian imports and exports and the various issues related to regional and international organizations. It is noted that the directorate has not undertaken the latter component of conducting this type of research. Various issues related to the lack of technical training, information, and knowledge of statistical and analytical skills of the staff, among others, hamper such achievements.

c. Trade Directorate

The main responsibility of this directorate is administering, executing and regulating domestic trade, mainly through the application of the Imports and Export Law, and maintaining that provisions of trade protocols and agreements are abided by in practice. The Directorate also supervises the execution of trade contracts with traders and merchants in Jordan and essentially monitors the various ongoing trade activities. In other words, the Directorate is charged with having information on activities taking place in the local market and at any given moment in time.

d. Industrial Development Directorate

The main responsibilities of this directorate are to undertake the development, formulation and implementation of Jordan's industrial policy and the preparation of research and studies to assess industrial development at both an aggregate and sectoral level irrelevant of industry scale. At the same time, the Directorate is charged with taking into account the impact of laws and regulations, investment potential, research and development, quality conformity and control, environmental protection, human resource development, industrial registration and export promotion of manufactured goods.

e. National Production Protection Directorate

The main function of this directorate is the execution of the National Production Protection (NPP) Law and associated regulations, in addition to applying the appropriate provisions in both bilateral and multilateral agreements within the WTO frameworks that relate to safeguards, anti-dumping and countervailing duties. To date, the staff, in cooperation with the legal advisor of the Foreign Trade Policy Directorate and an AMIR consultant, has had one practical experience in defending a case in the biscuit industry, and some training in methods to defend future cases (for details, see AMIR 2001c).

C. Affiliates of the Ministry of Industry and Trade

Specifically, the MIT has three affiliated quasi-governmental institutions to implement its mandate: JIB, JIEC, and JEDCO. All headed by the Minister of the MIT, each body is responsible for a specific aspect of formulating and/or implementing trade and investment promotion in Jordan (Annex A: Figure A.1). Nonetheless, considerable overlap exists in their activities.

1. JEDCO (www.jedco.com.jo)

JEDCO is responsible for the development and implementation of Jordan's export promotion policies. Their role includes developing and promoting Jordanian traditional and non-traditional exports of goods and services through market research and the analysis of the country's exportable production and international competitiveness. It is also responsible for the creation of a trade information and market intelligence system, providing advisory services to businesses, and organizing and assisting in international trade fairs.

2. JIB (www.jordaninvestment.com)

Chaired by the Minister of Industry and Trade and comprised of members from both the public and private sector, JIB is organized into four main branches: (a) Promotion of Investment Opportunities, (b) Studies and Research which includes the Legal Department dealing with international agreements, (c) Facilitation Department (or the 'One Stop Shop'), and (d) Finance and Administration Department. It is noted that the UNIDO Investment Unit was recently established, but its role or interaction with other departments remains unclear.

3. JIEC (www.jiec.com)

The JIEC is responsible for qualified industrial zone projects (QIZs) and is progressively developing and expanding its role in attracting local and foreign investments.

D. Other Agencies Involved in Overall Trade and Investment Policy

1. Ministry of Finance (www.mof.gov.jo)

The Ministry of Finance (MOF) has as its objective the design and execution of fiscal policy. Its functions that are directly related to trade and investment include the administration and regulation of the Customs Administration, the Public Budget Department (PBD) and the recently established Sales Tax Department (STD). The Customs Department has three directorates that advise on trade policy formulation: the Planning and Organization Directorate, namely the Studies and Research Section and International Cooperation Section; the Value Affairs Directorate, which contains a Value Research and a Value Assessment Section; and the Technical Customs Affairs

Directorate, namely the Comprehensive Tariff Section and the Agreements and Rules of Origin Section.

Direct involvement with trade and investment policy formulation is evident when revisions occur to import duties and taxes. The PBD and STD are also consulted when tariff reductions are made. Other affiliate bodies also involved in the implementation of trade and investment policies are the Amman Financial Market (AFM), which regulates trade and investment in stocks and shares and other financial tools, the Jordan Investment Corporation (JIC), which identifies projects and companies with potential investment opportunities and carries out offering procedures to the public, and the Free Zones Corporation (FZC), which plays an increasingly important role in attracting and facilitating trade and investment opportunities (see boxes in bold in Annex A: Figure A.3). It is worthwhile to note that the Government is currently studying a proposal to merge the FZC (affiliate of the MOF) and the JIEC (affiliate of the MIT) into one institution to combine responsibilities.

2. Ministry of Planning (www.mop.gov.jo)

The Ministry of Planning (MOP) is responsible for the formulation and oversight of the implementation of the National Five-Year Economic and Social Development Plan (ESDP), and the incorporation of all changes that are adopted in policies related to investment, trade, human resources, services, and social and cultural development. Other line ministries provide their inputs to the ESDP by identifying sectoral vision, policies and strategies for goal accomplishment. The MOP is the only government body that has the formal mandate and active responsibility of working with international donors such as the World Bank and the International Monetary Fund (IMF) in formulating and implementing with the respective line ministries the economic re-structuring and reform program. In operation, however, such a clear distinction in roles is not evident. The main departments at the MOP dealing with trade and investment policies and issues are the Economic Policies and Studies Department (EPSD), the Technical Support Unit (TSU) and the Competitiveness Unit (see boxes in bold in Annex A: Figure A.4).

a. Economic Policies and Studies Department

This EPSD has the major responsibility of designing the framework for the Economic and Social Development Plan, monitoring the implementation of economic reform programs, and conducting macroeconomic studies to enable appropriate recommendations to be made on policy issues. These tasks usually include monitoring price levels, employment, money supply and their effects on macroeconomic performance. The EPSD is also charged with the design of econometric models to be used as tools in macroeconomic analysis, monitors public finances and evaluates the impact on the economy, analyzes exports and import performance and evaluates their impact on economic growth. It also studies all loan agreements with other countries or financial institutions and assesses their impact on the economy. Moreover, the EPSD collects data and information on national, regional and international economies and documents the data and information for future usage.

b. Technical Support Unit

The TSU mainly has the responsibility of extending policy, strategic and programming advice in issues related to the Jordan-EU Association Agreement and overall economic liberalization efforts undertaken by the Government, and strengthening and enhancing financial, economic, social and regional cooperation between Jordan and the EU. These activities include the follow-up of all issues related to the Association Agreement and EU-Mediterranean Partnership Agreements, and conducting desk and field research on related issues and the liberalization of the Jordanian economy. The TSU is currently planning to expand its responsibilities to economic modeling, and is investigating types of models to be developed in policy impact analysis.

c. The Competitiveness Unit

The Competitiveness Unit has the responsibility of establishing up-to-date microeconomic assessments of selected Jordanian industries, analyzing national economic performance, and assessing the business environment in the country. It also conducts workshops for key industrialists, government officials, academics and other opinion leaders in order to draft step-by-step action plans for improving industry performance.

3. Central Bank of Jordan (www.cbj.gov.jo)

The objective of this institution, as in other countries, is to formulate and apply monetary policies. Within the Central Bank the Balance of Payments Section maintains trade data at a fairly aggregate level and produces a monthly and quarterly bulletin, in addition to an annual report. The Research and Studies Department also analyzes macro-economic issues and is involved in econometric modeling. Within the context of the WTO, the Central Bank is involved in issues related to trade in financial services.

E. Agencies Involved in Sector Trade and Investment Policies**1. Ministry of Foreign Affairs (www.mfa.gov.jo)**

The Ministry of Foreign Affairs (MFA) has as one of its objectives the promotion of Jordan abroad through the country's embassies and consulates and, as such, it plays a complementary role in trade and investment policy implementation. It is also active in receiving foreign delegates, who are interested in making investments or trading with Jordan. It is noted that a commitment was made at the WTO that by February 2002 Jordan would eliminate the requirement of consular certification of import documents that has so far been an important task carried out by the MFA.

2. Ministry of Agriculture (www.moa.gov.jo)

The role of the Ministry of Agriculture (MOA) in international trade is of increasing importance given that Jordan is currently engaged in negotiations on the new WTO Agreement on Agriculture and other trade arrangements. Within the MOA, both the Agricultural Economics and Policy Directorate and the Trade Agreements Unit are involved in agricultural trade policy and implementing the relevant provisions of the Technical Barriers to Trade (TBT) and the Sanitary and Phytosanitary Measures (SPS) Agreements. The Trade Agreements Unit is also responsible for operating the SPS Inquiry and Notifications Point.

3. Ministry of Tourism and Antiquities (www.mota.gov.jo)

With the expansion and growing importance of the tourism sector and its significant contribution to the economy's growth, the input of the Ministry of Tourism and Antiquities (MOTA) in trade and investment policy formulation is important. It is noted that the Minister is a member of the HCIP and the Petra Regional Authority. The MOTA is also increasing its involvement in trade and investment policy especially with their role in the second round of negotiations in services at the WTO.

4. The Ministry of Health (www.moh.gov.jo)

The Ministry of Health (MOH) is involved in bilateral trade as it researches and concludes protocols related to health services, in addition to its efforts to control drugs and their safety, and food and food products safety. Moreover, and in the context of the WTO, the Ministry is involved in trade in services and the regulation of investments in the health sector such as hospitals and medical clinics. It is also involved in implementing the relevant provisions of the TBT and the SPS Agreement.

5. The Ministry of Transportation (see www.nic.gov.jo)

The Ministry of Transportation (MOT) is involved in issues relating to the overall regulation and development of the transportation sector, which mainly involves the restructuring and modernization of the sector and the privatization of the air and rail transport sub-sectors in Jordan. The other sub-sectors that are being examined include land and maritime transport in addition to all supporting and/or auxiliary services. As a member of the HCIP, the Minister also has taken an active role in developing sector-level policies. It is important to note that the establishment of the Aqaba Special Economic Zone will largely affect maritime transport. Furthermore, and in the context of the WTO, the MOT is taking the lead in negotiating further liberalization in the associated sub-sectors and will be play an important role in the upcoming second round of services negotiations at the WTO.

6. Ministry of Post and Telecommunications (www.mopc.gov.jo)

The Ministry of Post and Telecommunications (MOPC) is involved in the development of policy and regulation of telecommunication services in Jordan. The MOPC also plays

a key role in the implementation of the Government's e-government initiative. In the context of the WTO, the MOPC is also increasing its involvement in trade and investment policy especially with their role in the second round of services negotiations at the WTO.

F. Summary Observations

In terms of trade and investment policy formulation, three major observations can be made. First, uncertainty exists regarding the role of major stakeholders in the formulation and implementation of trade policy, and in the integration and streamlining of institutional efforts. Second, the lack of interaction and coordination between the involved parties identified above and the non-institutionalization of the process has in many cases hampered the flow and quality of information, the in-depth analysis of issues, and the efficiency of the decision making process. Third, the absence of a body over-seeing and verifying the context of information, analytical reports and final decisions has attributed to the confusion and inconsistency in the decision-making process.

Examples are found especially at the MIT, as no links exist between the relevant technical directorates of the Sub-Secretariat of International Economic and Trade Affairs and the Sub-Secretariat of Industrial and National Trade, even though information exchange and cooperation are essential to both short- and long-term operations and planning. Moreover, the responsibilities of the newly formed Economic Policies Unit are unclear, as are the planned outputs of the various directorates at the MIT. Furthermore, it is noted that some overlap exists between the MIT and the MOP where trade negotiation and implementation of foreign trade agreements occurs. It is important that any information system that is to be designed takes into account the importance of linking the concerned directorates and departments in each Ministry.

G. Interaction with Private Sector

Jordan has at least 23 registered business associations with members representing vital economic sectors (see Box 2.1). The legal status of many is either a non-profit organization or non-governmental organization (NGO). All business associations play an important role in representing the economic and policy interests of Jordan's growing private sector. Furthermore, all business associations policy statements include in their mission statement and objectives their participation in activating the private sector's role

Box 2.1

Registered Business Associations in Jordan

- Amman Chamber of Commerce
- **Amman Chamber of Industry**
- Amman World Trade Center
- Business & Professional Women - Amman
- Consulting Offices & Companies Committee
- **Federation of Jordanian Chambers of Commerce**
- Institute of Management Consultants in Jordan
- International Chamber of Commerce
- Jordan Computer Society
- Jordan Construction Contractors Association
- Jordan's Exporters and Producers Association for Fruits and Vegetables
- Jordan Insurance Federation
- Jordan Society of Tourists and Travel Agents
- Jordan Trade Association
- Jordanian Accountants Association
- **Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances**
- Jordanian Businessmen Association
- Shipping Agents Association
- The Association of Banks in Jordan
- The Jordanian American Business Association
- **The Jordanian Society for the Protection of the Intellectual Property Rights**
- Young Entrepreneurs Association

Note: Names in bold typeface refer to associations that are most active in trade policy formulation and negotiation.

in economic development, trade promotion and specifically in export expansion, reforming the investment environment, stimulating national and foreign direct investment, and amending and upgrading economic laws and litigation.

Yet, during recent international trade negotiations on accession to the WTO, the Jordan-US FTA and the European Association Free Trade Area (EFTA), the private sector assumed no effective role. Moreover, their participation was minimal and only in the form of the attendance by one member of the Board of Directors of the Amman Chamber of Industry and the Federation of Jordan's Chambers of Commerce, who mainly played an observer role. However, it is worthwhile to mention that during the WTO accession process some associations had been informed of Jordan's commitments in services, and asked whether there were any changes to be made to reflect their or interests. Also, business associations were contacted for feedback when intellectual property rights (IPR) commitments were made at the WTO, Trade and Investment Framework Agreement (TIFA) and US-Jordan FTA. In both cases the feedback process was mixed. On the one hand, the GOJ received little or no response to queries made to the private sector; on the other hand, private sector representatives indicated that the GOJ often requested responses within unreasonable time frames (AMIR, 2000b).

1. Amman Chamber of Industry (www.aci.org.jo)

The Amman Chamber of Industry (ACI) provides one of the main links between the private sector and the public sector in the area of international trade and investment, and has recently adopted a more active role than in the past in promoting international trade. Its overall objective is to develop business activity throughout the country by representing the interests of its members, which are mainly business and producer groups. Established in 1962, the ACI is a non-profit organization representing the Jordanian industrial sector and is a main reference point for information on industry and the economy. The ACI membership represents 97 percent of registered Jordanian manufacturing firms, varying in size. Among its members are all the larger industrial companies and corporations in Jordan, including those engaged in mining, energy, fertilizers, chemicals, metals and pharmaceuticals. The ACI participates in the development of national economic policy through its representation on the boards of a large number of the country's relevant institutions, such as the HECC, the Jordan Industrial Development Bank, the AFM, JIEC, JEDCO, the HCIP and the JIB.

Administratively, the ACI is composed of several specialized departments: the Small and Medium Enterprises Department, the Industrial Affairs Department, the Computer Department, the Research and Information Department, the Environment Department, the Export Relations and Foreign Relations Department, the Documentation and Certification Department and the Public Relations Department. The ACI has developed a computerized database that serves as a nucleus for the industrial sector. Data are gathered and analyzed to generate information on marketing, export promotion and investment. The ACI is connected to the National Information Center and is considered the focal point for Jordan's industrial information system. It is also the focal point of a United Nations Project (UNIDO) that will be discussed in further detail in Chapter five of the present report.

The ACI operates offices at the Amman Industrial Estate-Sahab and Al-Hassan Industrial Estate-Irbid in order to extend its services and facilitate the requirements of manufacturers operating in these estates, such as issuing certificates of origin and other necessary documents. It also maintains strong ties with various foreign chambers and international organizations, such as the International Labor Organization (ILO), the International Organization of Employers, the International Chambers of Commerce, Industry and Agriculture and the Arab Labor Organization.

2. Jordan Federation of Chambers of Commerce (www.jfcc.com)

The Federation of Jordanian Chambers of Commerce (FJCC) was established in 1955 and provides an umbrella organization for 15 chambers of commerce located in the major cities and districts of Jordan. It also provides its services to a community of 70,000 members engaged in the various trading and business activities. As a private sector representative, FJCC serves its members' interests in all economic, commercial and service fields. Its responsibilities are to cooperate with the various public sector bodies to achieve a balanced economy, steer the state's foreign economic relations in favor of the private interest and promote Arab economic integration. One of the objectives of the FJCC is to cooperate with the relevant Jordanian authorities in gathering and streamlining economic and commercial data and statistics on Jordan, and disseminating such information to the concerned audience inside and outside the country. The FJCC is a member of many local, regional and international institutions and organizations. In Jordan, it is a Board member of JEDCO, the Social Security Corporation, the Institute of Public Administration, the HCIP, JIB and the Amman World Trade Center. At a regional level, it is a member of the General Union of Chambers of Commerce, Industry and Agriculture of Arab Countries and the Arab Labor Organization. Internationally, it plays an important role at the Islamic Chamber of Commerce, Industry and Commodity Exchange. It is also a member of the ILO, and is a Board member of the Joint Foreign-Arab Chambers of Commerce in Europe, North America and Asia.

3. The Amman Chamber of Commerce (www.ammanchamber.gov)

The Amman Chamber of Commerce (ACC) is one of the major organizations in the capital representing the private sector in Jordan; currently, it has more than 31,000 registered members. The ACC was founded in 1923 as a non-profit organization to regulate and represent the interests of all trading companies in Amman and the surrounding areas. Its objectives mainly seek to influence economic, commercial and business laws and policies, provide up to-date market and economic information, encourage international trade and attract foreign and direct investment, solve business disputes, support small and medium enterprises and encourage innovative businesses, and improve the quality and effectiveness of commercial practices.

Chapter 3: Legal Framework

A. Trade Agreements

1. Multilateral Trade Agreements

Since becoming a member of the WTO in April 2000, Jordan has adopted major economic and legislative reforms to bring its foreign trade regime into conformity with WTO requirements. In addition, under the General Agreement on Trade in Services (GATS), Jordan made commitments on a wide range of services effectively liberalizing market access to foreign suppliers and investors. It liberalized trade in goods through tariff rate reductions and made commitments to bind tariff rates between 0 percent and 20 percent by the year 2010, with the highest binding rates for specific tariff lines at 30 percent. Furthermore, Jordan made commitments to comply with the WTO multilateral agreements on Trade Related Aspects of Intellectual Property Rights (TRIPS), Customs Valuation, Import Licensing Procedures, TBT, and SPS. As previously mentioned, it is currently engaged in negotiations for the GPA.

2. Regional and Sub-Regional Trade Agreements

Jordan is a member of the Arab Common Market Agreement (ACM) together with Egypt, Iraq, Mauritania, Libya, Syria and Yemen. Jordan also signed the Arab Free Trade Area Agreement (AFTA) in January 1998. The Agreement is currently in its fourth year of implementation, with the prospects of free trade being accomplished by the year 2007. Based on reciprocity, 21 countries committed that tariffs of all types will be reduced by 10 percent a year, and will gradually be eliminated over a ten-year period. Under this agreement, Jordan will eliminate import duties on approximately 94 percent of its tariff lines.

The AFTA excludes provisions on the application of non-tariff measures (NTMs), but the implementation program prohibits the use of those such as monetary and quantitative restrictions and import licensing for non-exempt and non-prohibited products. Special provisions have also been incorporated in the agreement that require member countries to facilitate transportation under preferential conditions, and coordinate and cooperate when negotiating with other regional or international trade organizations in a manner that serves their common interests. The AFTA also excludes commitments to liberalize investments or trade in services. However, lately an initiative to include these two areas has been approved by member governments. These negotiations are expected to take place in October 2001.

3. Other Preferential Trade Arrangements

a. Jordan-United States Free Trade Agreement

The Jordan-US Free Trade Agreement (FTA) was signed on October 24, 2000 and will eliminate duties and commercial barriers to bilateral trade in goods and services between these two countries within ten years from the date of effectiveness. The FTA has recently been ratified by the Jordanian Parliament, and is proceeding within the legislative process to become a law. On the other hand, the FTA is in process of ratification at Congress, and is expected to be effective by early 2002. The FTA also includes separate sets of substantive provisions addressing trade and the environment, trade and labor and electronic commerce. Other provisions address IPR protection, balance of payments, rules of origin, safeguards and procedural matters such as consultations and dispute settlement. The area of services is particularly important for Jordan, given their contribution of nearly 70 percent to the country's GDP in recent years.

Under the FTA, Jordan will expand its commitments to liberalize trade in services with the United States by amending its laws and regulations over a three-year period. The WTO GATS formed the basis for the negotiations between the two countries, since both countries are parties to that agreement. Since the FTA covers liberalization of all trade in services, the changes will open the Jordanian service industries to US companies. The FTA will likely affect trade in tourism, transport, health and financial services (the largest service sectors), and to a lesser extent, convention services, printing and publishing, courier services, audiovisual, education and environmental-related services. Hence, the study of these industries and the opening of the services sector will be of particular importance to trade and investment policy formulation (for a detailed study on the impact of this agreement see AMIR, 2001a).

b. The Jordan-European Union Association Agreement

Signed in 1997, the Jordan-EU Association Agreement calls for the gradual removal of trade barriers and the establishment of a free trade zone with the EU over a 12-year period. Jordan and nine of the fifteen EU countries have ratified the agreement, which is expected to go into effect at the end of 2001. The Agreement aims to create a new climate for economic, social and cultural relations, in particular for the development of trade, investment and economic and technological cooperation. All industrial products and natural resources originating in Jordan would immediately enter the EU duty-free, while EU industrial products would benefit from annual and progressive duty reductions over the implementation period. Under the Agreement, selected products originating in the EU are excluded from preferential treatment (a negative list), and specific import procedures and safeguards are provided for trade in agricultural products. Otherwise, about 65 percent of the goods imported from the EU will receive preferential treatment, excluding the following products in the negative list: cigarettes, used cars, tomato paste, used clothes, clothes and shoes, furniture and carpets.

In services, no schedule of specific commitments was drawn out. However, both parties are to be guided by their WTO commitments, and with the exception of air, inland

waterways, and maritime transport, national treatment will be granted when or if Jordanian companies wish to establish their parent companies, subsidiaries or branches in the EU. Generally, no commitments were to be made beyond those under the WTO. The EU has pledged to set up a special fund to assist Jordanian industries to adjust to the requirements of the Agreement, enhance their export capacity and improve their competitiveness. Currently, Jordan is hosting the Business Service Team (BST), a group of local and European experts funded by the EU that provide technical and managerial support to businesses in Jordan. The EU also initiated the comprehensive Industrial Modernization Program (IMP) to further assist in implementing the Association Agreement.

c. Mediterranean Arab Free Trade Agreement

Jordan is also engaged in negotiating the Mediterranean Arab Free Trade Agreement (MAFTA), which is an agreement among the Arab countries (Jordan, Morocco, Tunisia and Egypt) that have concluded EU partnership agreements. The MAFTA facilitates trade among its members in order to meet the rules of origin requirements stipulated in the various partnership agreements.

d. The Jordan-European Free Trade Association Agreement

For the past two years Jordan has been pursuing negotiations to establish a free trade area with the members of the European Free Trade Association (EFTA) (*viz.*, Switzerland, Norway, Iceland and Liechtenstein). In a manner similar to the Jordan-EU Association Agreement, the pact will provide for free trade in industrial products, fish, and agricultural and processed agricultural products. The EFTA members will grant Jordanian goods duty-free entrance to their markets upon the Agreement's entry into force, while Jordan will reduce tariffs for EFTA goods over a 12-year period, thus establishing the free trade area by the end of year 2013. This Agreement is to be signed in June 2001.

e. Other Bilateral Trade Agreements

Jordan has entered into bilateral trade agreements with at least twelve countries in the Middle East: Bahrain, Algeria, Egypt, Israel, Kuwait, Libya, Oman, Palestinian Authority, Qatar, Saudi Arabia, Sudan and Syria. These agreements are generally based on the most favored nation (MFN) principle, although some agreements with Arab countries included trade preferences. For example, the agreement between Jordan and Israel allows a 10 percent tariff reduction for 66 products originating in Israel, while those between Jordan and Bahrain and Jordan and Algeria allows the free movement of trade between those countries. Recently, Jordan has also initiated negotiations with Syria, Iraq, Saudi Arabia and Kuwait. Jordan has also concluded bilateral investment promotion and protection agreements (BIT) with Germany, France, Turkey, Switzerland, Malaysia, Romania, United Kingdom, Tunisia, Yemen, Egypt, Italy, Algeria, Indonesia, the United States, the Czech Republic, Poland, the Netherlands and Morocco.

f. Free Zones

Jordan's free zone areas were established to promote export-oriented industries and transit trade. Commodities and goods of various origins are deposited in the free zone areas for the purpose of storage and manufacturing, without having to pay the usual excise fees and other taxes since they are treated as goods stored outside Jordan. There are currently three free zones operating in Jordan: Amman, Aqaba and Zarqa. The Jordanian FZC, affiliate of the MOF and an autonomous government agency, is responsible for their operation. In addition, plans are under consideration for promoting private free zones in Jordan, as well as for setting up a trilateral free zone including Jordan, the Palestinian National Authority territories and Israel.

g. Qualified Industrial Zones (QIZ)

The Qualified Industrial Zones (QIZ) Agreement provides duty-free treatment for products manufactured in the designated areas. The QIZs present another opportunity for Jordan to increase exports to the US markets and benefit from increased investment in the way of creating employment opportunities, facilitating technology transfer and modernization. The QIZ concept was first announced during the 1997 MENA Conference in Qatar, and requires that Jordanian and Israeli manufacturers each contribute an input of at least 11.7 percent of the investment capital. Currently, there are five QIZs operating in Jordan, some of which are slated for major expansion due to the overwhelming demand for space there. Other areas in the country may be designated as QIZs in the near future.

h. Aqaba Special Economic Zone (ASEZA)

New legislation was passed by Parliament in 2000 declaring Aqaba as a special economic zone. This zone is characterized by a special fiscal regime, with a tax ceiling of five percent and a sales tax (on retail) ceiling of seven percent and a total absence of customs tariffs. The ASEZA is to implement the risk-based system (a WTO requirement under the SPS Agreement) for inspection of food imported through the port of Aqaba. The ASEZA was officially launched in May 2001 and is expected to attract substantial investments in tourism, light industry, telecommunications, information technology, transportation and services.

B. Trade and Investment Incentives**1. Main Features**

The Investment Promotion Law of 1995 provides the legal framework for promoting exports and investment in Jordan. Updates to that law were enacted in 2000 pursuant to Article 24 by Regulation No. 54 on Regulating Non-Jordanian Investments and in 1996 pursuant to Article 4 on Regulating the Investment Areas and Sectors. The main objective of the law is to attract, stimulate and guarantee national and foreign direct investment (FDI) and joint ventures to promote the economic and social growth and development of the country. The law offers the following basic guarantees: (a) tax cuts and other exemptions for projects establishing in the country; (b) equal treatment of national and

foreign capital; (c) right of the foreign investor to manage his project in an appropriate manner and through person(s) chosen by the investor for its management; and (d) non-expropriation of a project or any measures leading to it, unless such appropriation is done by way of compulsory purchase for the purposes of public interest, and in turn for a just compensation to be paid to the investor; (e) access to foreign currency exchange for business operations; (f) free transfer of capital, dividends and other remunerations from foreign investments made in Jordan; (g) freedom in the production and sale of goods and services; (h) foreign currency accounts in national banks; (i) with some exceptions in certain service sectors where it is not permissible for foreign investors to own or participate in a whole or partial manner, some sectors allow a maximum foreign ownership up to 49 percent and 50 percent, while the majority of other sectors allow unlimited participation in business capital percentages; (j) a fair and recognized dispute settlement mechanism within a period not exceeding six months, and (k) availability of insurance against non-commercial risks.

2. Other Trade and Investment Legislation

a. Intellectual Property Rights

Jordan is a member of the WIPO and is expected to become a signatory to the Berne Convention in the near future. During the last two years the country adopted an important legal framework consistent with the international standards set forth by the TRIPS Agreement to ensure protection of intellectual property (IP). As such, the Law on Copyrights, Law on Trademarks and Law on Patents had been amended. In May 2000, new legislation went into effect on Industrial Design and Integral Circuits and Geographical Indications. In June 2000, the Law on Trade Secrets and Unfair Competition was also adopted, and amendments to the Customs Law concerning the border enforcement of intellectual property rights were also enacted. Finally, the Law on Plant Variety Protection was enacted in August 2000, thereby meeting all WTO obligations under the TRIPS Agreement.

Moreover, and as a result of the US-Jordan FTA a bilateral commitment was undertaken to adhere to three new WIPO treaties: the Copyright Treaty, the Treaty on Performances and Phonograms and the Patent Cooperation Treaty (PCT) within two years of the FTA effectiveness. The first two treaties establish several critical elements for the protection of copyrighted works in a digital network environment, including creator's exclusive right to make their creative work available online. Under the PCT Treaty, one international patent application can be filed for protection for an invention in each of the PCT Treaty member countries, thereby avoiding the need to file and process multiple applications in various countries. Minimum fines for IP infringement have also been raised to JD 6,000 to ensure that statutory maximum fines are sufficiently high to deter future acts of infringement. The National Library and the Trade and Industrial Marks Register Directorate at the MIT have initiated a public awareness program through the Chambers of Commerce and Industry and Judiciary. The MIT is also planning to establish a national patent database in 2001.

b. Duty Drawback and Temporary Admission

A duty drawback and temporary admission scheme are currently in effect in Jordan and are reportedly widely used. Data on the use of these schemes are collected using the information presented in the Customs declaration forms. Duty drawback may be used to claim refunds for duty paid on the importation of basic raw materials and necessary industrial inputs required for the production process of an industry. The Customs Department accepts duty drawback applications for a period of three years, beginning from the date when tariffs are paid.

Temporary admission is a system also used by Customs to allow the importation of large equipment or machinery necessary to perform a task during a limited period of time for the sole purpose of completing or performing in a project. To take advantage of this scheme, projects must meet the following criteria: (a) they must be either Government or public sector projects having a total cost exceeding JD 500,000, (b) they must be investment projects carried out by the private sector of a total cost exceeding JD 5 million, and (c) they must be any other projects meeting Cabinet approval upon a recommendation from the Minister of Finance. It is noted that such machinery and equipment may be used and/or sold in the country after use in the project; however, in this case the appropriate tariffs and taxes are accordingly levied and must be paid.

3. Pending Legislation

To maintain consistency with WTO commitments, Jordan has yet to implement many new laws and regulations necessary for the smooth operation and transparency of its trade regime. This legislation is concentrated in six areas and is to meet the following WTO requirements:

a. Intellectual Property Rights

Regulations and instructions must be issued to implement the Law on Geographical Indications, Law on Patents, Law on Industrial Designs, Law on Integrated Circuits, Law on Copyrights, and the Trade Secret/Unfair Competition Law. This Law is far-reaching as it contains a proposal to incorporate trade secret regulations at both the Ministry of Health and Ministry of Agriculture on protection of trade data.

b. National Production Protection

The NPP Law is to be revised to conform to the WTO Agreements on Safeguards, Antidumping, and Subsidies. Regulations and instructions are to be issued to implement Antidumping and Subsidies measures.

c. Regulation of Imports and Exports

To meet the GATT 1994 (Article I, III, and XI) Agreement on Import Licensing, regulations on imports and exports are to be issued in addition to the necessary implementation instructions on imports. Non-automatic import licensing is to be replaced with automatic import licensing for milk used in industrial production. Prohibitions

against use of powdered milk in production of UHT milk and yogurt are also to be repealed.

d. Sanitary and Phytosanitary Measures

To meet commitments made under the Sanitary and Phytosanitary (SPS) Agreement, the Law on Food Safety and associated regulations is to be enacted. Efforts are currently underway to review SPS measures to identify those inconsistent with international norms and determine, based on scientific evidence, where higher protection may be kept. Furthermore, reviewing and converting the existing system of mandatory standards to the WTO system of technical regulations and voluntary standards will be completed by the end of 2003. It is noted that 25 percent of standards existing as of April 2000 are to be replaced annually.

e. Marketing and Exporting Agricultural Produce

To meet the WTO Agreement on Agriculture, and GATT 1994 (Articles III, VIII), the SPS Agreement (plant and animal) and the TBT Agreement (seeds) and the Law on Agriculture are to be enacted, and the Agriculture Marketing Organization (AMO) is to be eliminated and its law cancelled.

f. Government Procurement

Amendments to the Law on Government Procurement are to be made in a manner consistent to the GPA. As previously mentioned, accession to the GPA is pending submission of the Government offer.

C. Trade and Investment Policy Objectives

1. Trade and Investment Policy

The MOP's current Economic and Social Development Plan (ESDP), which covers the period 1999-2003, lays out a master plan for the continuation of the economic and structural reform program that Jordan initiated in 1993. It is oriented towards eight broad thematic areas: (i) national economy liberalization; (ii) providing incentives and activating the private sector to effectively participate in the process of sustainable development; (iii) attracting domestic, Arab and foreign investments; (iv) increasing productivity; (v) alleviating poverty; (vi) creating employment opportunities; (vii) improving living conditions; and (viii) developing human resources. To date, the MIT has not prepared a comprehensive trade and investment strategy and appears to have no timeline to do so. However, to meet Jordan's commitment towards promoting globalization and creating the needed environment to meet the objectives identified above in the current ESDP, it has undertaken a plethora of initiatives in both areas of trade and investment respectively that are mainly related to trade agreements. Generally, the MIT relies on the logical interaction between trade and investment to create an "undocumented" policy and strategy approach.

2. Industrial Development Policy

As a result of cooperation between the public and private sectors a Comprehensive Industrial Sector Modernization and Development Policy was recently approved and implementation is currently underway. The policy's main components concentrate on: (i) enhancing and modernizing policy and legislation effecting various industrial sub-sectors; (ii) supporting small and medium size enterprises; (iii) creating and establishing an infrastructure to enable the provision of updated and reliable information; (iv) promoting exports; (v) promoting investments; (vi) developing human resources; (vii) protecting the environment; and (viii) creating an effective partnership with the private sector.

3. Services Development Policy

It is noted that an overall and integrated strategy is absent for the development of the various services sectors. This situation is attributed to the use of general trade laws or sector-specific laws and regulations that serve as the only available criteria to identify each sector's potential and prospects for growth. In essence, and only where foreign investment regulation is concerned, the two amending regulations to the Investment Promotion Law No. 16 of 1995, referred to above, can be used as a guideline in formulating a strategy in services. Moreover, the ESDP sets the vision for the development for each service sub-sector, yet lays no real integrated strategy for all sectors to move together towards the objectives that have been identified.

4. Agricultural Trade Policy

The MOA recently developed its Agricultural Sector Adjustment and Development Program for the year 2001-2010. An Agricultural Policy Charter (APC), adopted in 1996, focuses on improving rural development and decreasing the agricultural trade balance deficit. The APC is a sector-wide document and cuts across the agricultural sector and its institutions. It aims to achieve consistency in agricultural development with local, regional and international requirements, and an integrated socio-economic development characterized by efficiency, sustainability and equity. The APC takes into account the numerous bilateral agreements signed between Jordan and other countries, since it establishes a framework to specify the kinds, quantities and seasons for fresh fruits and vegetables to be traded between partners. Also stipulated are custom exemptions and other trade regulations between the concerned parties. To assist the MOA in achieving its tasks, APC identifies the following areas that require technical assistance: (i) the establishment of an agricultural databank; (ii) projects to promote environmental protection and natural resource management; (iii) projects to improve institution-building capacities; (iv) projects to increase agricultural production; (v) projects to enhance rural development; (vi) projects to promote human capacity-building; and (vii) projects to facilitate international integration. Recently, many donors have been approached for funding for the above projects, and as such their status is unknown.

Chapter 4: Inventory of Trade and Investment Information

A. Survey Approach

This chapter provides an inventory of trade and investment-related information that is available through public sector channels in Jordan. It was compiled through personal interviews with the main information providers in Jordan, including managers and technicians of those agencies, investigation of websites and, to a lesser extent, perusal of publications. The results of this inventory are presented in Table 4.1 according to provider. Details are presented on (i) type of information found; (ii) source; (iii) periodicity, years available and trade classification (where applicable); (iv) ability to be downloaded from website; (v) ease of use of website; (vi) comments; and (vii) suggestions for improvement.

B. Important Information Providers in Jordan

Most of the providers of information in Jordan are also users of it, with the exception of the National Information Center and the Department of Statistics. Table 4.1 indicates the databases and other information currently available from the major providers in Jordan.

1. National Information Center www.nic.gov.jo

National Information Center (NIC) was established in 1993 with the objective of implementing and managing an integrated information system at the national level, known as the National Information System (NIS). The NIC also provides Internet connections to the public sector, thereby hosting the ‘gov.jo’ websites. Given its mandate and functions, the NIC acts as a facilitator and coordinator, not a generator, of information. At the present time, the NIC is unsure of its involvement in the Government’s ‘E-Initiative’ and is considering adopting a policy to help standardize public sector websites. No steps have been taken towards this standardization, however.

The NIS website www.nis.gov.jo illustrates the umbrella organizational role of the NIC. It is structured according to 17 information sectors or clusters; committee members involved in research define the types of information required for the respective cluster. The economics and finance cluster is the most relevant to trade and investment information, and went online in 1996 through a website accessed through the NIS gateway.¹ Nine areas exist within that cluster that link to information providers; a tenth area links to the focal point for the sector, the Central Bank of Jordan (CBJ). For

¹ The other clusters are: agriculture, education and training, geography, government and politics, health, industry, labor, law and legislation, natural resources, population and human settlements, procedures, research, science and technology, society and social conditions, tourism and antiquities, and transportation.

example, the 'national accounts' area links the user to various statistics provided by the CBJ and DOS, among others, and the 'monetary' area links the user to monetary statistics mainly provided by the CBJ. Surprisingly, the 'investment' area links the user to documents on investment legislation and omits other institutions such as the JIB, and the 'international trade relations' area links the user to external trade statistics and listings of goods included in some bilateral trade agreements. Logically, the user would expect a listing of Jordan's international trade agreements, or at least a link to the MIT website that provided the actual legal text on agreements, and links to statistics. Other areas provide links to information on public finance, prices, studies and economic organizations. In general, the organization of the links on this site is illogical and could be simplified, expanded and updated.

2. Department of Statistics www.dos.gov.jo

Department of Statistics (DOS) is the centralized collector, provider and distributor of socio-economic and demographic statistics in Jordan. As such, it provides the 'backbone' of the data system in Jordan. Within the DOS, the Economic Statistics Directorate is the focal point for economic and external trade statistics and is comprised of the National Accounts Division, the External Trade Division and the Price Division.² Together, these three divisions employ approximately 35 persons specialized in statistics, accounting and economics. The types of data collected on external trade reflect the names of the divisions in the Economic Statistics Directorate; additionally, DOS collects and distributes data on industrial production, employment and certain tourism statistics.

For the purposes of economic analysis and planning, the main shortcoming of the *external trade statistics* is the absence of detailed long-term time series according to the Harmonized System (HS), the preferred classification, or the Standard Industrial Trade Classification (SITC). A conversion program exists in DOS to convert data from SITC to HS to Broad Economic Category (BEC) to International Standard Industrial Classification (ISIC), but it only covers import value data during 1994-99. The main shortcoming of the *industrial statistics* is the absence of detailed data by public and private sectors on supply (domestic production, imports and change in stocks) and use (domestic consumption and exports), and updated data on input/output (I/O) technical coefficients. Plans are underway to create Jordan's first supply and use table by 2002; the 1987 I/O table will reportedly not be updated.³

3. Central Bank of Jordan www.cbj.gov.jo

Central Bank of Jordan (CBJ) uses statistics from DOS, MIT and its own estimates and publishes them in monthly bulletins, annual publications and on its website. The coverage

² DOS is also the Agricultural Focal Point within the NIS and as such, is responsible for agricultural statistics on planted areas, production, employment in the sector and prices for the most important crops. Most of that information is available on the DOS website.

³ An inventory of data and publications available in DOS was prepared in 1999 under the USAID-funded Partnership for Health Reform (PHR) Project (Banks and Shahrouri, 1999). Given the nature of that project, the overall focus of the information inventory was on health. It also included information available at the DOS offices located in Al Jubeiha and Jabal Amman. The publication of this document in PDF format on the DOS website would be useful.

is adequate for economic research, although time-series data are not available in electronic format and must be requested from DOS. Problems reported by the Research and Studies Department mainly focus on interaction with DOS. Namely, it appears that DOS usually sends monthly data up to two months late and international trade statistics up to six weeks late, and that it has changed the classification scheme of the trade statistics several times that are used to construct balance of payment data. It was also reported that end-of-year trade statistics are usually inflated because of accumulated misclassifications throughout the year. The last two complaints are especially important when considering the integrity of data.

In addition to the problems reported on the timeliness and accuracy of trade statistics, problems apparently also exist regarding data on services. For example, income from tourism and other services needs to be estimated, services data require disaggregation and the collection of data needs to be more timely and accurate. Data on foreign direct investment are also lacking, which is due mainly to the administration of questionnaires and the building of an adequate database. Price and quantity indices must also be constructed using new methodology suggested by the IMF, as must estimates for workers' remittances from abroad.

4. Ministry of Industry and Trade www.mit.gov.jo

Various directorates in the **Ministry of Industry and Trade** provide statistics on the registration of companies, trademarks and commercial names, commercial laws and lists of goods receiving preferential treatment under certain trade agreements on the MIT web site and by special request. Despite the statistics that a user can generate, vast improvements could be made to the site to include information that is vital to international trade and investment. Other suggestions include the layout and content of the site itself, such as making queries user-friendly and adding links to other Government and private sector sites. The Foreign Trade Policy Directorate will soon launch its own web site (www.jftp.gov.jo) that will focus on international trade agreements. Arabic-speakers interested in the WTO make up the intended audience of this site, whose main objective is to distribute WTO documents. The site was designed with assistance from the AMIR program, and had not been launched at the time of report preparation.

The fluid flow of information is of particular importance to this Ministry, and to the Foreign Trade Policy Directorate in particular since it is the directorate most involved in negotiations of trade agreements. WTO documents channeled to Amman from Geneva provide one of the main sources of information for the staff of this directorate. At the present time, most documents arrive by fax, which has led to delays in preparation of negotiations and has contributed to inefficiency since distribution is undertaken manually. As suggested by AMIR (2000b), the development of a system for electronic distribution would help to alleviate this problem.

5. Ministry of Planning www.mop.gov.jo

Ministry of Planning (MOP) website offers sector studies and publications that provide important information to the policy maker, researcher or potential investor. The

Competitiveness Unit within the MOP to date has undertaken nine studies using the Porter methodology, which is based on the so-called cluster analysis. The studies could be supplemented by sector studies undertaken by the private sector, such as that for tourism completed by the Export and Finance Bank (www.efbank.com.jo/investment.html). The publications listed on the website include the *Jordan Economic Overview* and *Partners in Development*. The former offers data on economic indicators, employment, external trade and Jordan's competitive position vis à vis other countries in the world. The latter is published on a monthly basis and presents details on various projects, trade agreements and other collaboration with international donors.

6. Customs Department www.customs.gov.jo

Customs Department offers information on international trade through its website and by special requests. At the present time, the Jordanian tariff schedule is available in a downloadable format, as are the Customs Law, the General Sales Tax (GST) Law and information on regulations. With AMIR assistance, the site is being redesigned to make it more user-friendly than at the present time (viz., the tariff schedule will be updated and made easier to download, import forms will be downloadable and the site will in general be made easier to navigate). Information to be added will include the tariff schedules under preferential arrangements, and a new importers' guide. In that guide it is important to provide examples on the calculation of total import tax. It would also be useful to have links to the Customs' sites of Jordan's major trading partners, given the importance of the new trade agreements. The GST document should also include tariff codes in addition to commodity descriptions in all its schedules, which would facilitate matching the rate to the product and the import duty.

In terms of information excluded from its website, the Customs Administration provides, upon special request, data on actual (not hypothetical) Government revenue by HS code. External trade data are available from DOS, as described above, and are gathered through the Automated Customs System (ASYCUDA). ASYCUDA is an UNCTAD-developed customs administration database application that is currently on-line at two customs locations and that will be expanded to an additional two locations. The users of this system are customs officers, freight forwarders and importers.

7. Jordan Investment Board www.jordaninvest.com.jo

Jordan Investment Board (JIB) is one of the main sources of information on foreign direct investment (FDI) in Jordan. However, data refer to the applications for investment projects, rather than actual approvals made. The realization rate for these applications was reported to be about 70 percent. JIB maintains statistics on broad sectors that receive exemptions that are classified according to the type of exemption. Statistics are not available on its website, and can be obtained upon request. JIB management also reported that each Ministry in the GOJ maintains some type of statistics on FDI. For example, it appears that the CBJ maintains records of transfers, but not according to the method by which transfers were made (e.g., by exchange houses or banks), and that the MIT collects statistics on minimum investment made, but not on working capital. The International

Finance Corporation and United Nations Development Program have apparently contacted the JIB about the methodology in calculating FDI, but to date have not sponsored a project on developing the required statistics. JIB maintains two on-line databases available through its website, one aimed at business opportunities, including land, buildings, services and human resources; the other is aimed at potential investors who can browse through resources available for sale, rent or hire. The Jordan Industrial Estates Corporation (JIEC), which manages the QIZs in Jordan, provides statistics on FDI on its web site (www.jiec.com) that are limited to the two QIZs currently operating in Jordan. Moreover, the data are insufficiently detailed and therefore only give the user a broad picture of FDI in those zones.

8. JEDCO www.jedco.gov.jo

For many members of the private sector JEDCO is often the first place to look for information on all types of trade-related information, and searches are often initiated at the JEDCO website or by personal visit to JEDCO offices in Amman. Indeed, this organization serves as the national focal point for least seven trade information networks (see Box 4.1) in addition to offering services on trade development and promotion, direct company support, market research, information on export finance and credit and specialized seminars such as the only recently offered on e-commerce. The networks provide enquiry points for European, Arab and Islamic countries seeking business opportunities in Jordan. However, information on these networks is hidden in JEDCO's website, and links are not provided (only URLs), so the user cannot access the networks without leaving JEDCO's site and searching for them. The networks themselves are not linked, and JEDCO technical personnel reported that their activities are not synchronized. Moreover, no promotion is undertaken due to lack of funds, so the use of the networks stems from informal information channels, conventions and JEDCO workshops. JEDCO also boasts an extensive library containing more than 10,000 documents, but GOJ employees reportedly rarely use this service.

JEDCO will also become involved in analyzing the impact of the Jordan-EU Association Agreement on certain sectors by contracting consultants. Initially it plans to begin an assessment of three sectors (agro food, cosmetics and Dead Sea products) based on economic analysis that includes forecasts of exports. The second phase will build an information network on any aspect relating to the agreement. The sector analysis seems to overlap with the work of the Competitiveness Unit of the MOP, which has already undertaken a study on Dead Sea products.

JEDCO maintains no complete inventory of information, and believes that assistance is required in updating its information rather than in gathering it. However, the presentation of the information, especially on its website, is of equal importance. For example, information on trade agreements is available in two different places on the site. Moreover, this information seems to overlap with that appearing in the newly-launched website of the Foreign Trade Policy Directorate of the MIT, despite the fact that these two organizations work closely together given that they are both part of the same ministry. In addition to the wealth of information available on the website, the information that exists could be made easier to use and expanded than at the present time.

For example, the ‘trade leads’ section could be reworked into a database format that would allow a user to search on a certain product; additional information should be included, such as date of posting and HS product codes. Under ‘Directory’, information on cost, media and how to purchase directories should be included. External trade statistics also require updating, and data sources should be included on all statistical tables. In short, the website would benefit from an overhaul to fine-tune the information presented, rework the design, and make the site user-friendly.

Box 4.1**JEDCO's Involvement in Trade Information Networks**

- **Euro Info Correspondence Center (EICC)** www.eicc.jedco.gov.jo: offers matchmaking services through Business Cooperation Network (BC-NET), Business Cooperation Center (BRE) and Value Added Network System (VANS) ^{a/}
- **Inter-Arab Trade Information Network (IATIN)**: established under UNDP program; offers match-making services, product profiles, joint-venture opportunities; JEDCO is the focal point for this network
- **Islamic Trade Information Network (TINIC)**: provides information on legislation, company directories, bilateral and multilateral agreements, JEDCO is the focal point for this network
- **International Technology and Trade Network (ITTN)**: www.ittn.org initiated and sponsored by US Department of Commerce to promote cross-border trade in the Middle East and North Africa (MENA) region; offers information on trade opportunities.
- **Amman Trade Point (ATP)** www.atp.jedco.gov.jo: sponsored by the United Nations is now in its operational phase and has information on imports and exports aimed at promoting small and medium size enterprises (SMEs)
- **World Trade Network** is an initiative of the International Trade Center (ITC), and will have the objective of promoting awareness of the WTO and its impact on the business environment. JEDCO will reportedly become the national facilitator for this project, which appears to have some overlap with the Foreign Trade Policy Directorate.
- **EU/Jordan Partnership Association Network**: to be established once agreement is underway.

^{a/} Currently being redesigned by the EU and moved to another organization.

9. Private Sector

While the search for information for this report has been mainly limited to public sector sources in Jordan, the private sector also offers information on trade and investment. Sector studies using traditional economic analysis are available on the Export and Finance Bank's website (www.efbank.com/jo/investment.html), as are company reports for a selected number of companies, economic and stock reports. The Arab Bank's Research Department is currently focusing its efforts on regional trade. It publishes the *Arab Bank Review* that can be downloaded from its website (www.arabbank.com) in PDF format. The Atlas Investment Group (www.atlasinvest.net), an investment consulting company, offers economic reports and sector studies on its website. Specialized reports, such as those on free zones in Jordan, are available at the company's offices in Amman.

The Federation of Jordanian Chambers of Commerce (FJCC) maintains a business directory with a search engine and a trade opportunities database on its website (www.fjcc.com). The Amman Chamber of Commerce (www.ammanchamber.org) and the Amman Chamber of Industry (www.aci.org.jo) also have business directories on their websites. All business associations undertake sector studies on an-hoc basis, and general economic analysis. The availability of these studies in downloadable format on the websites would be very useful to policy makers, potential investors and the general public.

Table 4.1
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/Years Available/Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
DOS www.dos.gov.jo	External trade statistics (imports, exports, re-exports) for goods, by trading partner, volume and value; data also expressed in terms of share in total imports of a particular commodity, share in total imports from trading partner, and share in total imports of Jordan.	Customs	Annual: 1970-93 BTN; SITC Rev 3 1994-99 HS section, chapter, 4 and 9-digit 1994-99 Monthly: 1999-99 HS 9-digit	Only HS data available for public distribution in book format (see prices on website), CD Rom or downloadable from website; customized requests available on diskette at no charge; SITC data available upon special request.	Yes/Not easy	No long-term time series (at least 10 years) in HS or SITC classification available; website query complicated and user must take multiple steps, often due to missing data in specified years (data availability not specified); query excludes data search for all trading partners for all years (viz., the entire database); data in shares represent value added to database and are useful.	(1) Add comment for user feedback; (2) formalize feedback from all users through website and through other GOJ agencies; (3) revise query to follow that presented in TRAINS software and reflect user feedback, with improvements; (4) specify data availability in terms of specific years for each series.
	External trade statistics, by selected partner groupings (viz., Arab market, Economic Community Countries, Europe Market, Others, Pacific Islands).	Customs	As above	As above	Yes/Not easy	Groupings are not defined; multiple searches are needed because of missing data in specified years.	(1) Expand website to clearly define region groupings; (2) expand website to allow for downloads according to members of trade agreements; (3) provide link to MIT, where user would find details on trade agreements.
	External trade statistics aggregated by bilateral, preferential agreements.	Customs	As above	On diskette by special request.	No	DOS currently tabulating statistics into groupings as requested by Arab Regional Council for purposes of research on intra-regional trade.	As above

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/Years Available/Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
DOS www.dos.gov.jo	Price indices (consumer price index (CPI), industrial production index (IPI), producer price index (PPI), wholesale price index (WPI)).	DOS, MOF Tax Department	Annual, quarterly and monthly GDP: 1952-91 hard copy; 1992-2000 on diskette at no charge CPI: 1967-current Production index for industry and PPI: 1988-current WPI: only quarterly	GDP up to 1991 in hard copy, 1992-98 on website; monthly CPI 1998-2001 on website; annual CPI 1992-8 on web; IPI and PPI 2000-1 on web	Yes/Easy	Most widely quoted source of statistics; most common request is for data on FDI; receipt of sales tax data delayed and delivered in diskette or in hard copy; problems with GDP due to change in base year.	Electronically link new sales tax data from MOF and include exemptions in methodological notes; finish conversion of GDP and upload to website along with data on price indices.
	National Accounts	DOS, MOF	Annual, generally 1976-98, some series for GDP 1952-98	Website	Yes/Easy	Good coverage	Include backward link on data tables to DOS home page and Central Bank home page.
	Industrial production statistics, by economic activity at country level at also at levels for selected governorates and selected employment group size.	DOS	ISIC Rev2: 1990-98 ISIC Rev 3: 1994-98	Web; hard copy	Yes	Not long enough time series for all economic activities; data disaggregated by public and private sectors are not available, export and import data are not available; good notes on consolidation of certain activities; useful information on methodology; backward link to home page included in data tables.	Expand database.
	Employment	DOS, annual employment surveys	1992-97	Web	Yes/Easy	Wide range of employment data	

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/Years Available/Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
DOS www.dos.gov.jo	Tourism statistics: arrivals and departures by number, sex, nationality, country of usual residence, age, purpose of visit, length of stay, transport used, expenditures.	DOS, Arrivals and Departures Survey 1998	Feb 1998-Jan 1999	Web, hard copy	Yes/Easy	Wealth of data, but only for one year. In addition to building detailed statistics on arrivals and departures, also intended to help estimate tourism income and expenditure components in the balance of payments.	Continue conducting survey each year.
	Input/Output table	Various	1987	Hard copy	No	First and only time data were constructed; no plans to update; now constructing supply and use table to be completed by end-2001.	Upload methodology and accompanying data tables to web in PDF and Excel file formats.
Customs www.customs.gov.jo	Jordanian tariff schedule	Customs	Current	Web, hard copy	Yes, Easy	Nice download capability of tariff schedule into spreadsheet.	Upload in excel format tariff schedules for WTO, bilateral and preferential agreements; provide example of how to apply all taxes (duty plus General Sales Tax) to a certain import product.
	General Sales Tax Law	Customs	Na	Web	Yes, Easy	Missing HS codes on products listed in exemptions; difficult to interpret.	Add HS codes to products listed in Schedules 1-3; as above, give example of how to apply taxes to a certain imported product.
	Government revenue	Customs	2000	Special request, on diskette	No	Refers to actual revenue, not hypothetical; mainly intended for research purposes and usually time-consuming to obtain.	Cut back on processing time by maintaining updated information.

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/ Years Available/ Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
Central Bank www.cbj.gov.jo	Main economic indicators aggregated and dis-aggregated: money & banking, public finance, internal & external public debt, external sector, production & prices.	DOS, MIT, own estimates	Annual: 1964-present Monthly: generally 12 months for last available year and 2-3 month lag.	Last five years and some monthly data available both on website and hard copy.	Yes/Easy	Long-term time series must be created manually (not available electronic format); regional grouping defined by country in both publications and website.	Create long-term series and make available on website.
	Services	DOS, own estimates	As above	As above	Yes/Easy	Services balance only reported in terms of workers' remittances and travel receipts.	Need to expand database on services to include income from tourism and other detailed sources; improve timeliness and accuracy.
MIT Foreign Trade Policy Directorate www.iftp.gov.jo	WTO Agreements, Safeguard Manual, examples of recent cases on application of safeguards.	WTO, Foreign Trade Policy Directorate Analysts, NPD	na	Agreements in pdf format	Yes/Easy	Intended as an information site targeted at private sector traders and manufacturers without a lot of formal training and mainly speakers of Arabic; main objective is to distribute WTO documents and inform of commitments.	[Pending launch]
MIT Portal www.mit.gov.jo	(1) Lists of goods receiving tariff reductions under preferential agreements; (2) databases on trade-marks and company registration, (3) text on company laws and procedures to obtain trade names, patents.	MIT, IDD	For (2), years available unknown	Text only	No/Not Easy	Inadequate level of detail and difficult to use; some outdated information.	Redesign of site in terms of content and design needed.
JIB www.jordaninvest.com.jo	Foreign direct investment statistics, by partner country and sector; value of planned investment; planned employment, by local and foreign, manager, laborers and technicians.	Own clients	Annual, 1998-2000	Can be provided in Excel format upon special request.	na	Only report statistics for projects registered with JIB; does not track FDI statistics available in GOJ; statistics only reflect applications, not approvals (70% realization rate); outsource all research studies.	Make statistics available on website.

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/ Years Available/ Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
JIB (cont'd) www.jordaninvest.com.jo	Sector studies: tourism, Dead Sea products, information technology, hospitals, mining, pharmaceuticals, and textiles.	Own research	Na	Website	No	Sources of data are missing.	Include on website: (1) sources of data in each sector report; (2) downloadable PDF format.
	'Resource Databases': owner database and investor database.	JIB members	Na	On-line database	na	Useful for investors.	None.
	Costs of doing business in Jordan.	JIB	Na	Publication	Na	Wealth of information important for potential investor and policy makers; organized by (a) start-up costs, (b) capital costs, (c) operational costs, (d) miscellaneous.	Include this information on website; undertake study to obtain information on costs of doing business in other countries that are Jordan's competitors for investment.
	QIZ	JIB	na	Web/info packet	Yes	Nice links to details on how to qualify product, processing costs (direct and indirect), among others, including example on calculation of qualifying product and interpretation of result.	Include statistics from QIZ on website.
MOP www.mop.gov.jo	<i>Jordan Economic Review</i> publication	Competitive-ness Unit research	Na	Web	No/A few improvements could be made	Presentation is set up as a slide show.	Include on website: (1) introductory paragraph indicating date of publication and how to obtain hard or electronic copy; (2) downloadable Powerpoint file; (3) font size of some text should be made larger because of difficulty in reading; (4) data sources.
	<i>Partners in Development</i>	MOP	Monthly, 1997-2000	Web/Easy	As above	Text documents	Include in website: (1) table of contents for each issue, otherwise user has no idea of information in publication; (2) 2001 issues.

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/ Years Available/ Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
MOP www.mop.gov.jo	Competitiveness studies: Dead Sea cosmetics, mining, pharmaceuticals, tourism, banking, cement, construction, textiles, agriculture, higher education, information and communication technology, based on M. Porter methodology.	Competitiveness Unit research	na	Web	No/Improvements could be made	Presentation is set up as a slide show; each study follows the Porter methodology.	Include: (1) introductory paragraph on website defining Porter approach, explanation of selection process for studies and note on studies to be undertaken in the near future; (2) downloadable Powerpoint file; (3) page numbers on slides of all studies, and ability to jump from slide to slide according to number; (4) links to statistics used in analysis; (5) links to private sector sites, such as Export Finance Bank (www.efb.com), which undertakes sector studies such as the one on tourism; (6) units on graphs and sources of data to facilitate further analysis by user.
	<i>Jordan Economic Review</i> publication	Competitiveness Unit research	Na	Web	No/A few improvements could be make	Presentation is set up as a slide show	Include: (1) introductory paragraph on website indicating date of publication, how to obtain hard or electronic copy; (2) downloadable Powerpoint file; (3) larger font for some text that is difficult to read.
	<i>Partners in Development</i>	MOP	Monthly, 1997-2000	Web/Easy	As above	Text documents	Include: (1) Table of contents for each issue, otherwise user has no idea of information in publication; (2) Issues for 2001.

Table 4.1 (cont'd)
Main Sources of Foreign Trade and Investment Information in Jordan, by Agency

Agency	Type of Information	Source	Periodicity/ Years Available/ Classification	Format	Downloadable from web/Ease in Use	Comments	Suggested Improvements
JEDCO www.jedco.gov.jo	A wealth of information on promoting Jordan's products, such as: trade fairs, trade leads, statistics, market studies, statistics, etc.	JEDCO	Na	In many cases, brief descriptions only	No	Website is disorganized, difficult to navigate, lacks critical information and links.	Complete redesign of website is critically needed.
JIEC www.jiec.com	Basic information on FDI in QIZs	Unknown	Unknown	Web	No	Provides broad idea of level of FDI in two operational QIZs	Provide data details, such as year of data, countries of foreign investor, sectors.
Export Finance Bank (EFB) www.efbank.com.jo/investment.html	Sector studies on tourism, industry, agriculture and electricity	EFB, various sources of publicly available data	Ad-hoc	Web/Easy	Downloadable PDF format	Very nice site; sector study based on traditional economic analysis approach; date of posting included; user able to be included on mailing list to receive research studies by email.	Include list of studies underway or planned.
	<i>Main Economic Indicators</i>	As above	April 2001	As above	As above	Statistics in graphic format; at times difficult to read	Improve readability of statistics.
Arab Bank www.arabbank.com	<i>Arab Bank Review</i>	As above	Latest issue October 2000	As above	As above	Research articles and economic monetary statistics; a very good source of topical information for the researcher.	Include this page as a link in a GOJ site as part of private sector links.
Atlas Investment Group www.atlasinvest.net	Economic studies and sector analyses	As above	2000	Na	Na	Requires registration.	Remove registration for easy user access.
Jordan Federation of Chambers of Commerce www.jfcc.com Amman Chamber of Commerce www.ammanchamber.org Amman Chamber of Industry www.aci.org	Business directory	Members	Na	Database with search engine	Na/easy	--	--

Chapter 5: Initiatives Underway to Support Trade and Investment Information Networks

A. Government of Jordan

An extensive e-government project is currently underway in Jordan that will help the country move forward in its plans to modernize the public sector (for details, see Government of Jordan, 2000). Five building blocks focusing on the following areas are expected to impact on government, businesses and citizens alike: (i) e-service applications identification; (ii) technology infrastructure development; (iii) educational reform and skills development; (iv) legal and regulatory framework development; and (v) management and organizational structure development. At the time of report preparation, the National E-Government Taskforce had been charged with the development of a comprehensive e-government master plan. By end-2001 the first set of fast-track projects to test e-service applications is to be initiated and by end-2004 necessary networks and infrastructure are to be installed throughout the country.

B. European Union

The EU programs that are currently underway are related to the Industrial Modernization Program that was in large part designed to facilitate the Jordan-EU Association Agreement. One of the most well known programs is the GTZ Program sponsored by the Government of Germany. That program initiated its work in information systems in 1996, during which time it collaborated with the NIC to establish economic cluster information. Since that effort was initially based on the introduction and application of information technology, the strategy resulted in a supply-driven approach. At the same time, the IMF initiated technical assistance programs with the Central Bank of Jordan, which became the focal point in the NIS economic cluster. Attempts were made to add value to statistics through the calculation and presentation of economic indicators in graphic form; however, the GTZ Program encountered resistance in implementation from an institutional point of view. Therefore, in 1998 GTZ reoriented its activities and returned to its original counterpart, the MOP. Since that time, the program has focused on the promotion of decision-support systems that build on analysis through five main activities: (i) tax forecasting within MOP; (ii) strategy-building using cluster analysis and most recently through knowledge management tools with the Competitiveness Unit; (iii) mathematical model-building with the Technical Support Unit, which is in its start-up phase; (iv) providing the Prime Ministry with alternate models of central Government decision-making at both the technical and institutional levels; and (v) providing managerial advice to the MIT and assisting them in developing a strategic plan. The GTZ program is scheduled to continue until mid-2003.

DOS reported that EUROSTAT, and specifically their EUROTRACE program, will be offering technical assistance to improve external trade data with the objective of calculating import and export price indices. DOS managers requested no additional assistance from USAID.

C. USAID

USAID has reportedly been involved in improving socio-economic data at DOS since the early 1990s. It first offered technical assistance to improve Jordan's household surveys, and provided funding for health projects. In early 2000 a two-year project on improving economic statistics was implemented with the assistance of the United States Census Bureau. This project aims to use enterprise-based surveys as the basis for national accounts, and is currently working to improve survey sampling, questionnaire design, and data processing and documentation in both Arabic and English. The major problems that the project leaders have encountered in addition to those related to data are institutional in nature. Most notably, DOS employees have apparently resisted adhering to schedules involving updating, release and publication, which in turn has resulted in delays of data dissemination. The case in point is the lack of 2000 data on the DOS web site.

The AMIR program is also supporting the e-government initiative by offering technical assistance in two applications: an automated environment for the management of business registrations and a telecommunications licensing service. The government agencies that will benefit from this technical assistance are the MIT, Companies Controller Directorate, and the Telecommunications Regulatory Commission, respectively. Both efforts will involve the design of web-based applications, and the required technical infrastructure (for details on the request for proposals of this assistance, see AMIR, 2001b).

D. United Nations

A new three-year United Nations Industrial Development Organization (UNIDO) project aimed to improve the competitiveness of those sub-sectors of the food industry having export potential (value-added and safe food products) is scheduled to begin in July 2001 (for details on the project document, see UNIDO, 1999). It was developed in response to Jordan's imminent accession to the WTO Agreement on Technical Barriers to Trade (TBT) and the Agreement on Sanitary and Phyto-Sanitary Measures (SPS), which promote international guidelines and practices for quality, standardization and metrology. Moreover, food exporters including those from Jordan find it increasingly difficult to penetrate the European market since they often do not comply with the mandatory quality control systems such as the Hazard Analysis of Critical Control Points (HACCP).

The project is comprised of two main components: the first will concentrate on the food industry sub-sector; the second will address the problems and constraints related to creating a conducive business environment for food and other industries. UNIDO officials reported that project activities would go beyond the food industry, but those industries have not yet been defined. Nonetheless, the project document describes the first component as improving food safety and food processing technology and offering support to industrial associations with the objective of introducing HACCP certification into a select group of companies and creating a national food safety program. The second component will support the formulation of an industrial policy for Jordan, promote investment in the food industry, address environmental protection and establish an industrial information network. The total budget for the project amounts to US\$5.4

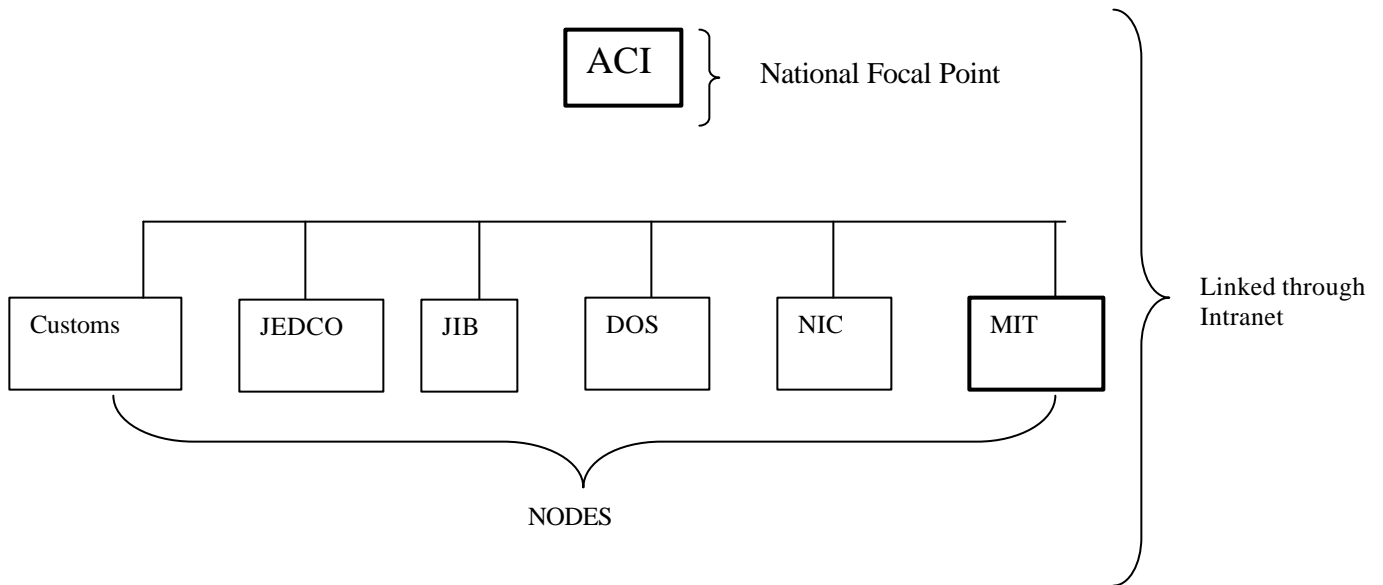
million, with US\$2.1 million allocated to the first component and US\$3.3 allocated to the second component. Activities related to the improvement in quality and business performance account for 47 percent of the funds allocated to the first component, while those related to environmental protection, energy efficiency and waste management account for 37 percent of the budget for the second component.

The national industrial information network (NIIN) is the subcomponent that is of interest to the AMIR task at hand. The network will link information relating to the food industry sector through six nodes with one national focal point (NFP). The American Chamber of Industry was selected as the NFP, and the following government agencies were selected as the nodes: MIT, Customs, DOS, JEDCO, NIC and JIB. The nodes and ACI will be connected through an intranet. The MIT and ACI will decide which information is to be included in the network, and make that information available to the public through the Internet (see Figure 5.1). At the time of preparation of this report, an international consultant had prepared a technical report to establish the NIIN, which involved laying out the necessary hardware and software requirements for the network. Also, a software specialist had been contracted to visit Amman to begin work on software development in July 2001 (for technical details, see UNIDO, 2001).

The UNIDO project offers a platform for AMIR's future work to promote Jordan's trade and investment through an information network. AMIR could build on the UNIDO network given that its six nodes are precisely the ones that have been identified in the institutional analysis in this report as those being the most involved in trade and investment policy and implementation. AMIR could complement UNIDO's work by adding the international dimension to the network with a focus on trade and investment. There are two options for possible AMIR assistance. The first option, which could take place under AMIR I, would focus on improving content and presentation of information on websites of all nodes except that of the NIC. NIC would be excluded because it simply provides links to the Central Bank and houses no information. The second option, which could take place under AMIR II, would aim to standardize data (server, software and data) through upgrading of hardware and software, and redesign data content and presentation. Estimated costs for this type of assistance could reach \$50,000 for each node (or \$250,000 for five nodes), excluding consulting fees to redesign data and improve presentation on the website. At the present time, UNIDO officials have not yet decided on the types of information to be included in the network or the timeframe; it is therefore recommended that AMIR monitor the progress of the project and become involved as details develop, and consider the first option of improving individual websites.

The United Nations has also provided technical assistance DOS to improve its system of national accounts DOS through its Commission for Western Asia. Now, there is only a three to four month lag in publishing those statistics, and they are also available on a quarterly basis.

Figure 5.1
UNIDO Industrial Information Network Project



Notes:

1. Only ACI and MIT will have full access to information network and MIT will decide which information is included on ACI website.
2. Option A AMIR I assistance: Improve information on websites of all nodes except NIC.
3. Option B AMIR II assistance: Standardize data (server, software and data); server and software costs are estimated at \$50,000 for each node.

Chapter 6: Conclusions and Recommendations

A. Overview

In terms of information users and providers, the current trade and investment information system in Jordan is fairly concentrated in three ministries --MIT and its affiliates, MOF and MOP-- and the Central Bank of Jordan. Despite this concentration, the system is uncoordinated and disjointed, and suffers from shortcomings at both the institutional (individually and collectively) and information levels. At the institutional level, Government employees rely heavily on informal channels to obtain information and often to make decisions. They appear to undertake minimal processing of information, especially in the area of statistical analysis and report writing, and do not circulate it since email use is limited and the distribution system is bureaucratic. The output of information therefore reflects this flow: whether in the form of policies themselves, research analysis, statistical manipulation or web content, information is outdated, minimal presentation requirements are met and standards do not appear to exist in terms of quality or consistency within particular ministries or across them.

At the information level, trade statistics by product and trading partner are available, as is information on international agreements, laws, company and trademark registration, technical commitments made under trade and investment agreements, matchmaking opportunities and a multitude of other topics. However, the existing information lacks detail, depth and consistency required in decision-making, and is difficult to access. Moreover, it is poorly organized on government websites and results in user frustration and loss of time. For example, disaggregated trade statistics (import and export flows by partner and product) are available but over a short time period that do not allow trends to be captured, are presented by different agencies in different trade classifications, and are not easily examined on websites. Other data that are required to make informed decisions, such as those on services, detailed foreign direct investment, and costs of production, simply have not been collected.

Lastly, while improvements could be made to hardware and software, existing equipment under the current organizational structure is adequate at the work-station level for the most part; however some servers require upgrading and the speed of Internet connections could be vastly improved with leased lines.

B. Institutional Shortcomings and Recommendations

Define a Trade and Investment Strategy, followed by a Separation between Policy Formulation and Implementation

The fundamental constraint to effective decision-making that became apparent from the examination of the Government structure stems in part from non-clarity and overlap in the roles of the institutions that formulate and implement trade and investment policy, which have led to confusion, repetition and often contradiction at various levels within the Government. Likewise, and as highlighted in a recent AMIR report on streamlining

and improving government information related to business and trade (AMIR, 2000a), this institutional barrier has also resulted in the absence of integrated databases and redundancy in data collection. For example, the MIT Foreign Trade Policy Directorate and JEDCO are involved in both policy formulation and execution, which is generally considered a conflict of interest. Both agencies maintain information on international agreements on their web sites that overlap. Research units in the MIT (viz., the Economic Studies Unit) and the MOP (viz., the TSU and EPSD) appear to overlap in their tasks. These situations also influence the performance of the technicians who actually perform the work. Moreover, an uncoordinated trade and investment strategy is presented to the public and is not well articulated, and negotiators of trade agreements are not fully prepared to defend their country's interests because they have no clear strategy communicated at the policy level. Likewise, clear strategies require support with alternative scenarios and supporting documentation.

Outside the Government, there is lack of involvement by the private sector in policy-making and negotiations despite the activities of the numerous business associations operating in Jordan. The absence of a strong relationship between the public and private sectors is likely due to shortcomings of both parties. On the one hand, it has been noted that the Government could improve upon outreach and public awareness activities; on the other, the private sector could become more involved in voicing its concerns and responding to specific information requests in a timely manner.

One of the institutional recommendations therefore is that action be taken to (a) define clear roles in terms of formulation and implementation, preferably through legal mandate; (b) adopt a cohesive strategy for trade and investment within each Ministry and then for the country at the Cabinet level; and (c) establish a unit to monitor, evaluate, and require improvements of the overall system, including those related to trade and investment information. The placement of such an umbrella unit is currently being considered in the Prime Ministry.

Create a Centralized Point of Information Collection and Dissemination According to Topic or Responsibility

Another shortcoming from the institutional point of view is that a centralized point to collect and disseminate information on trade and investment does not exist. The absence of such a mechanism has resulted in analysis and decision-making based on inconsistent statistics and other information and lack of access to legal text. For example, the Foreign Trade Policy Directorate, JEDCO and the MIT maintain three separate websites, each with a section on trade agreements. Following the recommendation made above to define clear roles, it is also suggested that as the first step information be organized according to responsibility. Next, it is suggested that mechanisms be activated to inform other units and the general public of new developments. For example, if it is defined that only the MIT Foreign Trade Policy Directorate will undertake all matters related to WTO negotiations, then that Directorate should publish regular updates on achievements made, activities underway, and time schedules for remaining obligations, and disseminate those

updates via its website and a monthly newsletter that could be similar to that published by the MOP.

Similarly, information on decrees adopted and other legislation (proposed and actual) could be included on the website of the Prime Ministry. This information could be presented in a manner similar to on US *Federal Register* website, but not on a daily basis. That publication is available on-line and updates on a daily basis official daily publications for rules, proposed rules and notices of federal agencies and organizations, and well as executive orders and other presidential documents.

Upgrading Technical Capacity at the Staff Level is a Prerequisite for Effective Decision-Making

In Jordan there is an acute absence of published reports based on traditional economic analysis that are undertaken by the Government. Nonetheless, the MOP prepares sector studies using the relatively new and popular cluster analysis tools, and exercises are underway in strategic planning to test new knowledge management tools. Additionally, this ministry is currently planning to develop mathematical models to undertake impact assessments of trade agreements, and is seeking assistance from international donors. The combination of these tools would help the MOP create a more balanced approach in economic analysis than at the present time. Limited econometric work is undertaken by the Central Bank, although the Research Department would like to expand its activities in this area. The MIT would also like to expand its research and analysis role through the Economic Policies Unit that reports directly to the Minister; this unit recently published a research report on regional trade, but the analysis appeared basic.

This situation signals that the public sector likely lacks the capacity to undertake certain types of economic analysis that are necessary for effective strategy-building and decision-making. This constraint could be addressed by first defining a research agenda based on current and upcoming events, then carrying out studies with the assistance of international consultants who would work with local staff as a means of providing training to them. Finally, databases and methodologies developed in the course of the research could be institutionalized. A complete list of studies and other technical assistance that are appropriate given the upcoming trade and investment agenda are listed in Annex B. The studies are organized according to areas of (a) general international trade and investment, (b) WTO, (c) Jordan-US FTA, (d) impact assessments through modeling, and (e) general sector and industry issues. All items require a combination of international and national consultants working with staff in respective ministries depending on the theme; some require the creation of databases and other require expansion of existing information that is also classified into a user-friendly style.

C. Information Shortcomings and Recommendations

Expand Coverage of Trade Statistics and Economic Indicators to Enable Trend Analysis and Include in Web Databases

Information in Jordan, as in all countries, is usually provided in various formats on an intra- and inter-agency basis and to the public, and the level of difficulty in obtaining information often depends on its complexity and availability on a government website. For example, special requests must be made to obtain long-term time series of external trade statistics because of the change in classification (SITC conversion into HS), so time must be allocated for their compilation. However, this request is unusual since little analysis is currently undertaken on a trend basis. A frequent request is that data be grouped according to partners involved in certain trade agreements, such as the AFTA. In both cases, information that is not found on websites is obtained through informal channels and requires an excessive amount of time and effort to obtain.

Data integrity also appears to be an issue. A key user of the trade statistics used to construct balance of payment data reported that the classification scheme has changed several times. It was also reported that end-of-year trade statistics are usually inflated because of accumulated misclassifications throughout the year. The last two complaints are especially important when considering the integrity of data.

Improve Key Government Websites

Websites have become the most useful and efficient way to channel all types of information inside and outside the Government to all types of users, including Government policymakers, negotiators and researchers. Despite the fact that the exchange of information is the primary goal, the quality of the content will lead to the site's success. Improvement through re-design of the key websites on trade and investment would remedy most of the following characteristics of key websites currently operating in the Government:

- Inconsistency in design across Government agencies;
- Many often do not function because servers are turned off or unattended;
- Users of information were obviously not consulted in the design of many websites, or their suggestions were not accepted; and
- Links to crucial information on websites simply were overlooked, forcing the user to initiate searches outside the website that he is using and lose time.

Create New Databases and Expand Existing Ones Essential to Support Upcoming Trade Negotiations and Policy Decisions

As highlighted above, Jordan has an important base of information that needs to be fine-tuned, updated and expanded. Equally important is the need to create new databases of statistics and other information to support upcoming trade negotiations and policy decisions, and to make those databases user-friendly through queries and data series that present basic calculations such as market share and percentage growth over a certain time period. At the present time, several managers and technicians do not want or do not have the technical capacity, to undertake basic calculations once they download data. This

situation has resulted in a great reliance on hard copy statistics and the interpretation of data without supporting statistical analysis.

Details on information needed are presented in Annex B, and include the name of the responsible agency. For example, foreign direct investment is an area of high importance to the GOJ but detailed statistics are simply not available, and those that are available originate from several different agencies. Another critical data gap relates to data on services, which is especially important for the upcoming negotiations of the WTO GATS and the US-Jordan FTA. Details on services statistics, like those on FDI, do not exist in Jordan, in part because it is too new an area.

D. Hardware and Software Recommendations

As mentioned above, hardware and software considerations at the work-station level for the most part are not an issue under the current institutional structure and with the current and recommended expansion in databases. However, if certain units were to expand, namely the Economic Studies Unit of the MIT, and the Economic Policy Unit of the Prime Ministry, then additional equipment would be needed depending on staffing levels. Also, if the MOP becomes involved in mathematical modeling, then econometric software could be purchased, but the choice would depend on the type of modeling to be undertaken.

The importance of Internet usage should be emphasized, which would greatly improve the knowledge of technicians who are helping to prepare for trade negotiations and policy-makers who set the negotiation agenda. At the present time, the Internet is grossly under-utilized, which is due to technical difficulties (slow line, inadequately attended servers), or insufficient importance addressed to web searches by both managers and staff. The only way to improve the speed of the Internet is through leased lines. Likewise, the use of email is not exploited, which is mainly due to the numerous approvals required. Encryption does not appear to be an issue, since the content of most emails is not confidential.

E. Recommended AMIR Support

Given the timeframe remaining for AMIR (June-December 2001), its budget constraints for both technical assistance and equipment, and the fact that a new UNIDO project will soon be launched to lay groundwork for an industrial trade network, it is recommended that AMIR focus its efforts on (a) improving the website design and content of certain ministries, (b) sponsoring key studies that also involve the creation of new databases, and (c) purchasing equipment and software if research support units are established within the MIT and the Prime Ministry during the remaining months of AMIR being in operation. Moreover, it is suggested that AMIR keep in close contact with UNIDO project managers to include complementary information at the international level on that network, which is currently focused at the national level.

1. Websites

AMIR has already contracted an outside company to assist in the redesign of the websites for the Customs Administration and the Foreign Trade Policy Directorate of the MIT, as well as the Company Registrar under its support for the E-Government initiative. Ministries whose websites could be improved using AMIR resources include: DOS, JEDCO and the Prime Ministry. The sites for DOS and JEDCO are more complicated than the one for the Prime Ministry in the sense that they contain large amounts of statistics and other information. The one for DOS, for example, would require programming to improve access to the data, while the one for JEDCO requires re-organization of site content and database layout. In all cases, website redesign should take into account the work currently going on under the UNIDO project, and expand it to the international level. At the present time, that project is concerned with national trade, and will make available national-level information to the public through its nodes (six ministries that are of concern to trade and investment) with the Amman Chamber of Industry as its focal point. AMIR could make a significant contribution to that project by focusing on the international aspect. In all cases of website redesign, users of the sites and researchers who prepare studies should be consulted regarding content and use.

2. Studies

Table 6.1 presents descriptions of seven studies that could be undertaken within the next six months to support upcoming trade negotiations and policy formulation. Plans for two of those studies, *viz.*, impact assessment of the GPA and the potential of service exports to the United States, are already underway.

3. Closing Data Gaps

AMIR could also begin to fill data gaps for the studies noted above and also for future work. The most important type of databases that need to be compiled include: (i) services, to be used in the upcoming GATS negotiations; (ii) FDI; (iii) costs of production data. In the longer term, the GOJ would benefit from AMIR's efforts to build databases on the industrial sector. In all cases work should begin as soon as possible since primary data must be collected from surveys and databases must be built. Moreover, mechanisms to ensure inter-agency coordination must be established to create the databases and maintain them.

Table 6.1
Examples of Future Policy Studies Supported by AMIR, June-December 2001

Area	Study Description/Objective
A. General International Trade and Investment	
Issues Paper	Overview of current trade and investment situation in Jordan to highlight focal points for further in-depth study. Could become recurrent paper used as basis for work plan for trade negotiations and policy formulation.
Streamlining of Implementation of Trade Agreements	The roles of GOJ ministries involved in implementing the various trade agreements are unclear. Each agreement has a different tariff schedule and implementation scheme, and each has established similar committees, such as those on intellectual property rights (IPR). This situation has resulted in confusion and inadequate implementation. An institutional report would identify bottlenecks in the decision-making and implementation processes and make recommendations for improvements.
B. WTO	
Government Procurement Agreement (GPA)	To help prepare the WTO Unit in its upcoming GPA negotiations, this study would identify the impact on key industries of opening government bidding to external competition.
General Agreement on Trade in Services (GATS): Impact on Selected Sectors, such as Construction	WTO is currently negotiating its commitments to the GATS agreement; impact studies would provide quantifiable information on possible sector performance as a result of Jordan's commitments.
Agriculture	See Partial Equilibrium Model below in (F.).
C. Jordan-US Free Trade Agreement (FTA)	
Potential of Exports in Services to USA	Examine FTA benefits offered by the USA to Jordan and identify the specific benefits for exports of the following service sectors: tourism, financial services, and transport.
F. Modeling: Impact Assessments	
Partial Equilibrium Model	To help prepare the MIT, MOA and Customs for their next round of WTO negotiations, this approach would focus on the direct trade effects of tariff changes at a very low level of product detail. The results would offer information at the industry level and a useful first-cut for policy-makers to understand the effects of tariff reforms on the economy.
G. General Sector/Industry Studies	
Expansion of Sector Studies to Include Traditional Economic Analysis	At the present time, the sector studies undertaken by the MOP depend on one type of analysis. The extension of this analysis to traditional economic analysis would provide an added dimension to the study.

Note: This list represents an extraction of a complete list of projects presented in Annex B, Table B.1 that also includes details on requirements for information, indicates the availability of information, and suggests technical assistance needed.

Annex A: Organizational Charts

Figure A.1
Organizational Chart of the Government of Jordan

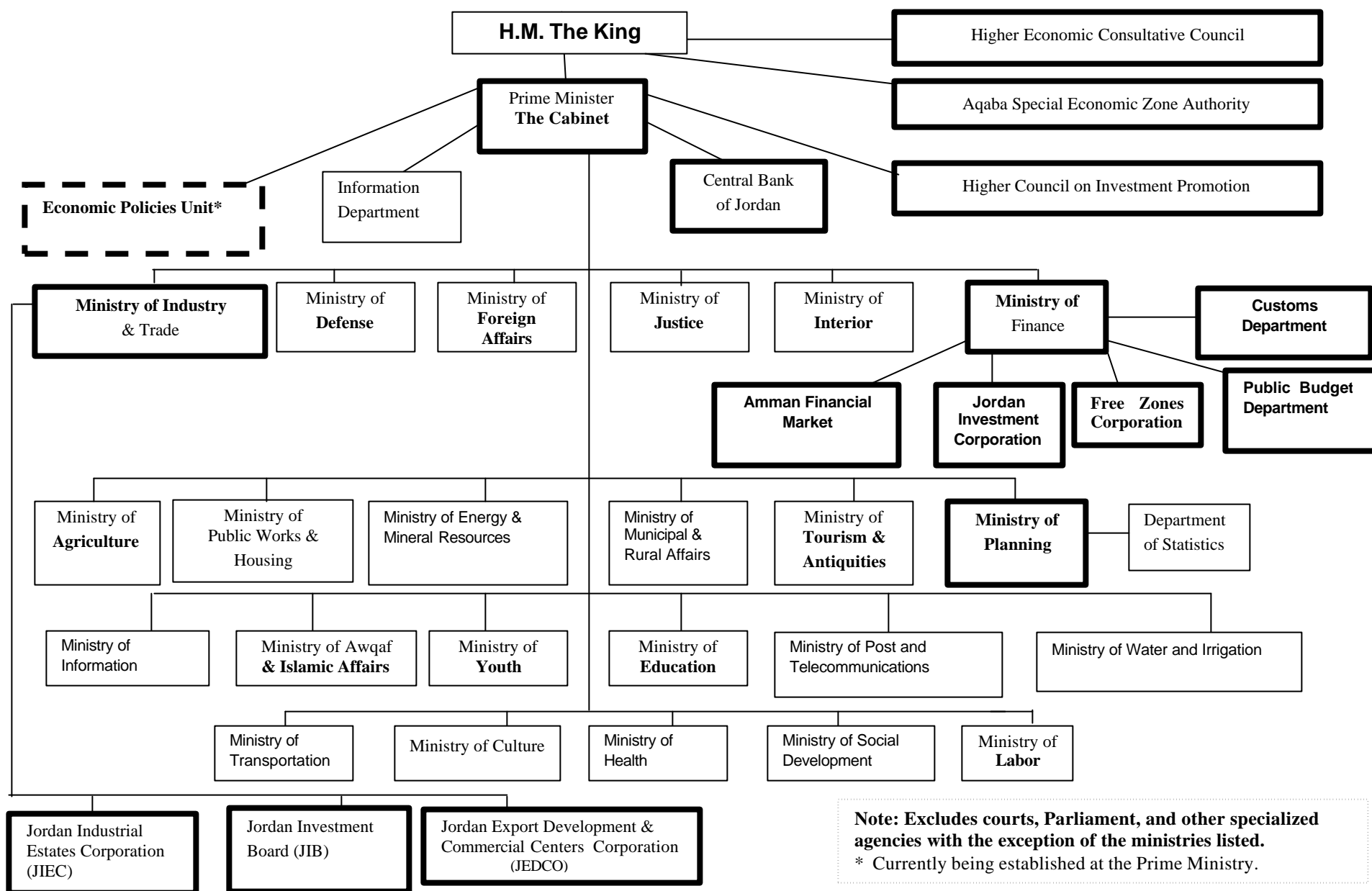


Figure A.2
Organizational Chart of the Ministry of Industry and Trade*

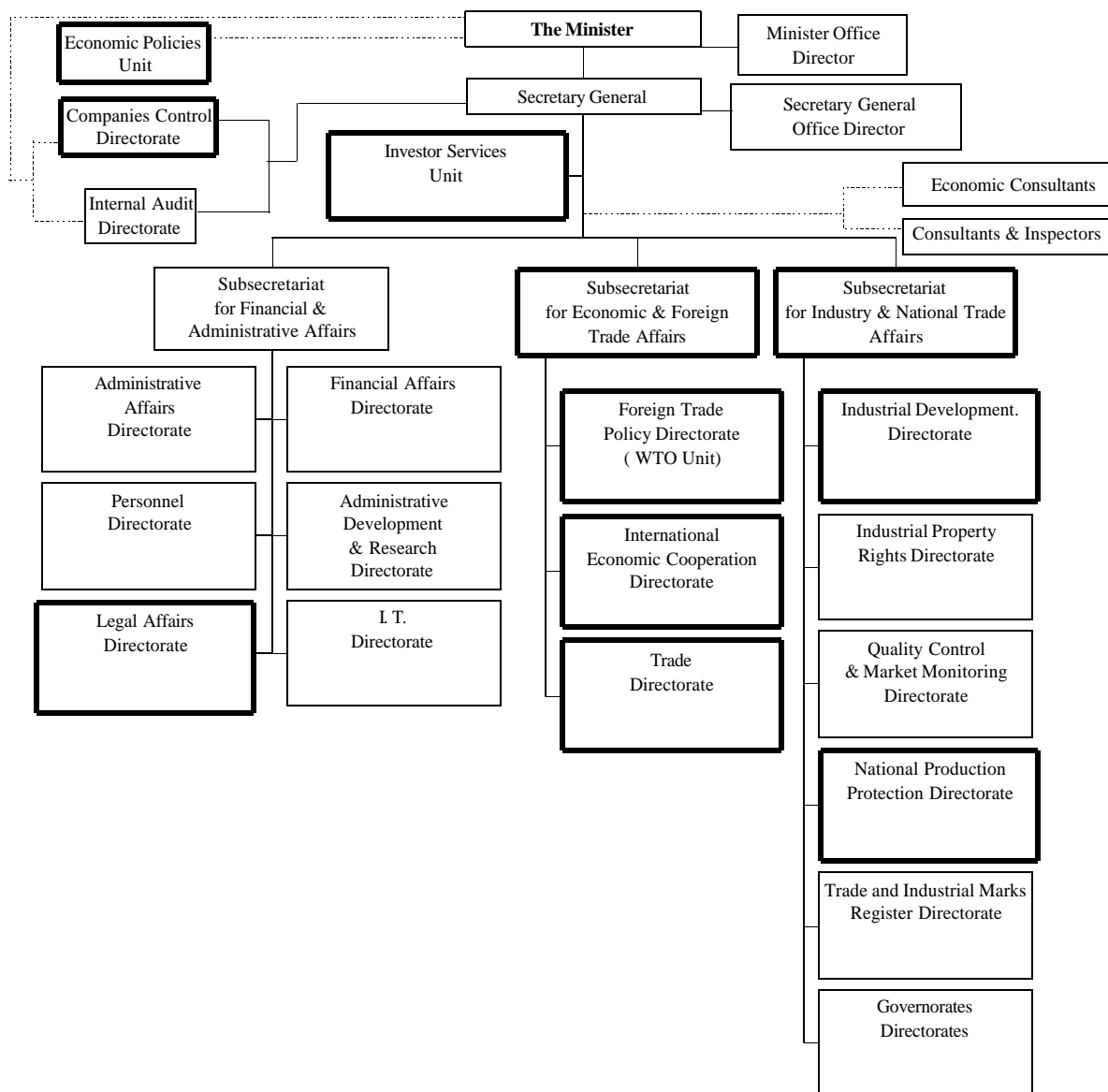


Figure A.3
Organizational Chart of the Ministry of Finance

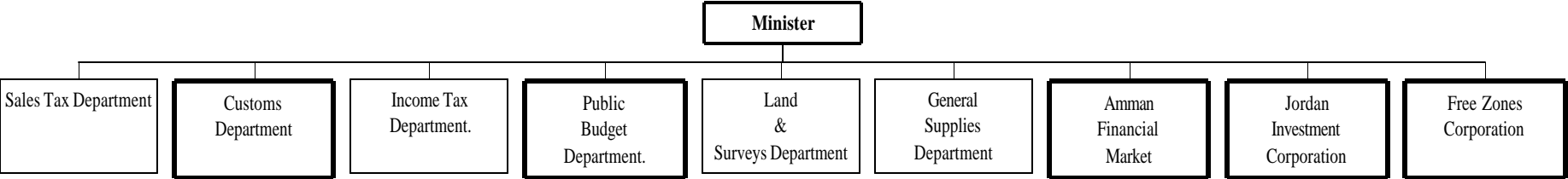
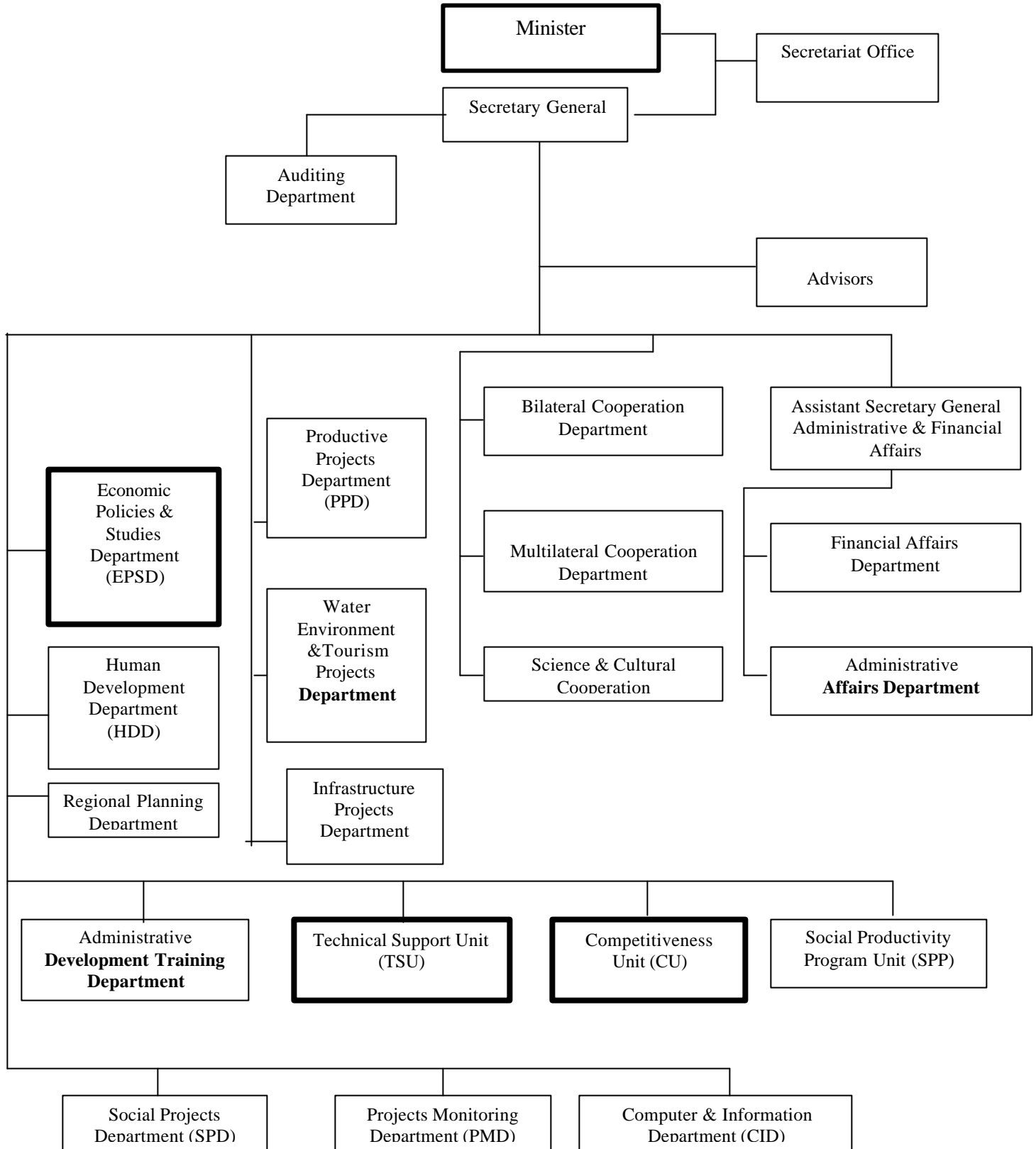


Figure A.4
Organizational Chart of the Ministry of Planning



Annex B: Suggested Studies and Other Technical Assistance

Table B.1

Examples of Studies and Other Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Sources	Availability	Technical Assistance Needed
A. General International Trade and Investment					
1. Issues Paper	Overview of current trade and investment situation in Jordan to highlight focal points for further in-depth study. Could become recurrent paper used as basis for work plan for trade negotiations and policy formulation.	Wide range of information: disaggregated external trade statistics, economic indicators of Jordan and key trading partners, FDI, services, updates on WTO agreements and other preferential trade agreements, current GOJ policy objectives on trade and investment.	Wide range of sources: GOJ sources include MIT, Customs, DOS, MOP, JIB, CBJ, JEDCO; outside sources include WTO, World Bank, IMF and various sources of economic information.	Yes	Consultancy to help design recurrent annual report, with special theme to change annually, and to prepare first report.
2. Business Environment	Survey of key constraints to international business operation and development in Jordan would help to pinpoint policy and regulatory actions that GOJ needs to take in order to promote private sector development.	Enterprise-level survey, focusing on key sectors or industries, that will serve as baseline for future surveys.	Survey organized MOP, Competitiveness Unit	Not undertaken as of yet; will require updating on a periodic basis.	Consultancy comprised of team of international and local consultants to assist in identifying target sectors or industries, select sample of enterprises, undertake survey, tabulate results and prepare analysis. Methodology should also be designed to communicate results to relevant GOJ agencies for policy and regulatory reform and implementation. Follow-up surveys should also be programmed.
3. Foreign Direct Investment (FDI) in Jordan	Overview of FDI in Jordan that could form basis for recurrent report.	Statistics on inward FDI, by geographical source and by industry; largest deals; largest foreign affiliates.	MIT, JIB, JIEC	Not available; requires creation of new database.	Consultancy to create new database and prepare report; institutional mechanism and commitment to maintain and update database.
4. Impact of Implementation of Intellectual Property Rights Commitments	The WTO, EFTA and EU-Jordan Agreement all include IPR components. To date, a study has not been undertaken to assess the impact of these commitments on trade in goods and services.	IPR commitments under all trade agreements.	Various GOJ ministries.	Yes	Consultancy to undertake study.

Table B.1 (cont'd)

Examples of Studies and Other Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Sources	Availability	Technical Assistance Needed
5. Streamlining of Implementation of Trade Agreements	The roles of GOJ ministries involved in implementing the various trade agreements are unclear. Each agreement has a different tariff schedule and implementation scheme, and each has established similar committees, such as those on intellectual property right (IPR) commitments. This situation has resulted in confusion and inadequate implementation. An institutional report would identify bottlenecks in the decision-making and implementation processes and make recommendations for improvements.	Lists of trade and investment agreements and corresponding responsible ministries, corresponding tariff schedules, committees and implementation arrangements.	GOJ various ministries	Requires on-site research.	Consultancy to undertake study.
6. Renegotiating Trade Agreements under Changing Market Conditions	Jordan will have the opportunity to renegotiate all trade agreements and alter commitments depending on its evolving interests and policy objectives. The timeframe for reassessment depends on the trade agreement. For example, the Jordan-US FTA allows for renegotiation within six months of the effective date of implementation, and the EU-Jordan Partnership Agreement allows renegotiation after three years. Similar arrangements exist for bilateral agreements. The objective of this study is identify priority areas for renegotiation and assess possible impacts.	For Jordan-US FTA, will require study of US import taxes on goods and services and rules of origin; external trade statistics of Jordan.	US Customs, USTR, DOS	Yes	Consultancy needed to train GOJ technicians in understanding US tariff regime.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
7. Defining Role of Environmental Protection in Trade Policy	Jordan is currently making commitments in its trade agreements to maintain national environmental standards in order to encourage trade and investment. This study would identify the country's national environmental interests, and help to prioritize those at risk from trade and investment, and assist in formulating a policy on environmental protection related to trade and investment issues.	General environmental issues in trade and investment, Jordan's environmental issues in trade and investment; AMIR Environmental Impact Assessment for Jordan-US FTA, Environmental Impact Assessment for QIZs.	WTO, United Nations, Ministry of Municipalities and Environment, Environmental Protection Agency	Yes	Consultancy of team of international and local consultants.
8. Impact of Trade and Investment Policy on Labor	Similar to the above study, this work would determine the degree to which labor is affected by changes related to trade and investment policy in Jordan. Jordan's commitments with inter-national organizations would be used as a basis of comparison.	(a) Employment statistics; (b) work permits; (c) production, consumption statistics	DOS, Ministry of Labor	Yes	Consultancy of team of international and local consultants.
B. WTO					
1. Trade Policy Review (TPR)	Required every three years after joining the WTO, this study would comply with WTO reporting requirement while providing details on Jordan's trade policies and highlights changes made as a result of joining the WTO and other policy reforms.	Similar to A.1 above, but many details are needed on recently adopted policies and regulations and plans for future changes.	Mainly GOJ sources, as above in A.1, plus other TPRs and other documentation submitted to WTO.	Yes	Close coordination among MIT FTPD and other GOJ ministries; consultancy to assist with technical details and economic analysis required in TPR.
2. Government Procurement Agreement (GPA)	To help prepare the WTO Unit in its upcoming GPA negotiations, this study would identify the impact on key industries of opening government bidding to external competition.	(a) Data on goods and services purchased by Government during last 5 years; (b) disaggregated import data; (c) detailed tariff data; (d) I/O technical coefficients.	(a) New database on goods and services currently being developed by GOJ with support of AMIR; (b) DOS; (c) Customs; (d) Central Bank.	Yes	Local consulting firm to complete database; international consultants to conduct study.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
3. Notification Point Operation	This consultancy would offer training on the efficient operation of the required notification point. It would help to establish channels with relevant entities and particularly the private sector to ensure that notifications are provided especially those on TBT, SBS, and services and import licenses.	Technical assistance.	Na	Na	Medium-term international consultant.
4. Market Access in Goods	See description below under F. Modeling.				
5. General Agreement on Trade in Services (GATS): Impact on Selected Sectors, such as Construction	WTO is currently negotiating its commitments to the GATS agreement; impact studies would provide quantifiable information on possible sector performance as a result of Jordan's commitments.	(a) Commitments in particular sector; (b) data on services in particular sector.	DOS and CBJ	No, only at an aggregated level.	Database on services needs to be expanded in terms of level of disaggregation; report needs to be prepared.
6. Trade Remedies (Safeguards, Anti-Dumping)	At the present, the GOJ relies on registering a complaint brought forth by the private sector to initiate trade remedy measures. This study would build on a study recently completed by AMIR to help the GOJ to implement mechanisms to improve its ability to monitor the market and recognize danger signals. Lessons could be drawn from the recent biscuit industry case.	(a) Disaggregated import data; (b) tariff data; (c) costs of production data.	(a-b) DOS, Customs, (c) survey data private companies or I/O tables	(a-b) Yes; © No	Consultancy to (a) survey private companies for cost of production data; (b) update the I/O tables; (c) international and local consultants to undertake study and institutionalize mechanisms for continual market monitoring.
7. WTO Agriculture Obligations: AMS Calculations	Calculate aggregate measure of support (AMS)	Subsidy value, production value, general interest rate subsidy, total agriculture production, intervention prices, fixed external prices.	Ministry of Agriculture	For production value, yes; for other data, unknown.	Consultant to train in calculations.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
8. WTO Awareness	Increase awareness of WTO Agreements and commitments made by introducing and explaining each Agreement and the commitments made to the relevant officials at various ministries.	<ul style="list-style-type: none"> Agreement on Agriculture Agreement on Rules of Origin Safeguards and Anti-Dumping Agreement Customs valuation Technical Barriers to Trade Agreement Anti-dumping and subsidies Dispute settlement IPR Import licensing SPS How the WTO approves Free Trade Agreements- Meeting GATT (1994) Art.24 requirements. 	Foreign Trade Policy Directorate	Yes	Local consultant.
9. Overseas study tour	USA Study tour would illustrate SPS procedures including inspection, testing, sampling, quarantine and certification procedures undertaken, which would provide comparative analysis of policy and regulation issues.	Study tour	Na	Na	Travel/per diem, lead consultant.
C. Jordan-US Free Trade Agreement (FTA)					
1. Potential of Exports in Services to USA	Examine FTA benefits offered by the USA to Jordan and identify the specific benefits for exports of the following service sectors: tourism, financial services, and transport.	(a) Commitments of selected service sectors in US-Jordan FTA and WTO agreements, (b) market access conditions, (c) regulatory environment, (d) structural impediments, (e) cross-border production technologies, (f) national treatment, (g) and any "Additional Commitments".	Various sources; research required.	Yes, but not undertaken as of yet.	Local consultant, advised by international consultant.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
2. Comparative Costs of Production and Investment in the Middle East	This study would collect and analyze essential information for both business associations and GOJ agencies, with the objective of implementing policies and regulations to make Jordan the most attractive country to invest in the Middle East.	Primary data on costs of production and investment in 7 countries: Jordan, Morocco, Tunisia, Egypt, Israel, Lebanon and Turkey.	Costs on Jordan from JIB, trade and investment government agencies and chambers of commerce in each country.	Some costs of production for Jordan available from JIB; those for other countries not compiled as of yet.	Consultancy comprised of international and in-country local support team where possible to visit each country to collect data, analyze information and prepare report.
3. Regulatory Constraints in USA Market for Jordanian Service Exports	Services imports into the United States are generally constrained by administrative regulations such as licensing requirements and investment regulations at the federal, state and local levels. Jordan's interest in tourism, software development, transport and health services suggests the need for more detailed analysis of existing impediments in the US market for these industries. This study could serve as a baseline analysis for future surveys.	(a) Information on the main issues affecting FDI with reference to tourism, financial services and transport; (b) survey data on US company perspectives on their decision to invest in Jordan.	(a) Reports prepared on FDI issues in relevant sectors by JIB, MIT, Chambers of Commerce, private sector organizations; (b) company interviews.	(a) Yes; (b) not undertaken as of yet.	Consultancy comprised of team of international and local consultants to assist in identifying target US-based companies; undertake survey, tabulate results and prepare analysis. Follow-up surveys should also be programmed.
F. Modeling: Impact Assessments					
1. Partial Equilibrium Model	To help prepare the MIT, MOA and Customs for their next round of WTO negotiations, this approach would focus on the direct trade effects of tariff changes at a very low level of product detail. The results would offer information at the industry level and a useful first-cut for policy-makers to understand the effects of tariff reforms on the economy. They also would serve as a necessary input to the macro model described in F.2 below.	(a) Time series disaggregated import data, by volume and value, either disaggregated at the 6-digit Harmonized System (HS) level or the 4-5 Standard International Trade Classification (SITC) level; (b) corresponding tariff rates; (c) value of imports under preferential trading arrangements; (d) data on sales tax; (e) major economic indicators of Jordan; (f) current and market access concessions and scenarios for new negotiations.	(a) DOS (HS data) United Nations COMTRADE database (SITC data); Customs; (c) DOS; (d) MOF; (e) CBJ; (f) FTPD/MIT.	(a) Yes, at a cost and with time lag; (b) yes; (c) yes, but must be compiled by hand; (d) yes, but application of sales tax law is unclear due to numerous exemptions; (e) yes; (f) yes.	Team of international and local consultants.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
2. Macro model	Would allow estimation of the transmission of trade effects from liberalization to the economy, and the feedback effects that occur in the external sector from income and price changes. Objective is to measure the fiscal revenue implications of tariff reforms.	(a) Inputs from partial equilibrium analysis in F.1, (b) time series data on detailed national income account data, (c) aggregates for direction of trade, (d) exchange rates.	(a) Results from (2) below; (b) CBJ; (c) DOS; (d) CBJ.	(a) Once partial equilibrium model is developed; (b)-(d) Yes.	Team of international and local consultants.
3. Computable General Equilibrium Model (CGE)	The development and analysis of an economy-wide model would determine likely trade and production shifts at the sector level in Jordan's economy. The sectors in the model are explicitly linked together in value-added chains, from primary goods, through higher stages of processing, to the final assembly of consumption goods for households and governments. They are also linked through various economy-wide constraints. This approach allows the quantitative assessment of tariff reduction and trade facilitation measures at the economy-wide level, or at the international level using Global Trade Analysis Project (GTAP) approach.	Comprehensive (a) trade and (b) industry data, including disaggregated I/O tables.	(a) DOS; (b) MIT and MOP.	(a) Yes; (b) industry-level data are absent in Jordan, only I/O tables for USA can be used as proxy for Jordan.	Team of international and local consultants to develop I/O tables for Jordan, to be updated on regular basis: conduct company-level interviews and develop I/O tables at industry level.
G. General Sector/Industry Studies					
1. Expansion of Sector Studies to Include Traditional Economic Analysis	At the present time, the sector studies undertaken by the MOP depend on one type of analysis. The extension of this analysis to traditional economic analysis would provide an added dimension to the study.	Wide array of economic data used in current cluster analysis, but analyzed and presented in different ways.	Various GOJ agencies.	Yes	Collaboration with MOP Competitiveness Unit and team of international consultants.

Table B.1 (cont'd)

Examples of Studies and Technical Assistance to Support External Trade and Investment Policy Formulation and Implementation

Area	Study Description/ Objective	Type Needed	Information Source	Available	Technical Assistance Needed
2. Effective Rates of Protection	Shows the extent to which a particular industry will be susceptible to foreign competition when protection to the industry is eliminated, and illustrates how protection likely diverts resources away from the Jordan's industries having true comparative advantage.	(a) Technical coefficients in input/output (I/O) tables for Jordan or other country, (b) tariff rates; (c) import volume and value.	(a) Jordanian companies or US Department of Commerce (US DOC); (b) Customs; (c) DOS.	Yes	Team of local and international consultants to develop I/O tables for Jordan, to be updated on regular basis: conduct company-level interviews and develop I/O tables at industry level.
3. Impact of Economic Reforms on Certain Sectors Using Total Factor Productivity (TFP) Approach	This study will assess the role of Jordan's private sector in enhancing the country's productive capacity both at the macro and sector levels, with particular emphasis on manufacturing activities. It will also identify certain sectors with potential growth in the next decade.	Wide range of statistics for TFP analysis: economic indicators, employment, production, consumption, stocks, exports and imports.			

Notes: Suggestions are based on a review of the trade and investment situation in Jordan at the time of report preparation and interviews with various GOJ agencies.

Annex C: Government Requests for Hardware, Software and Equipment

Table C.1
Government Requests for Hardware, Software and Equipment

Government Requests for Hardware, Software and Equipment										
Organization	Hardware			Software			Other Equipment			TOTAL
	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	Justification	
Foreign Trade Policy Directorate/MIT ^{1/}	None			EVIEWES	\$1,500	Required to analyze data and undertake regression analysis. Data analysis to be undertaken on trade statistics in general and economic indicators. ^{2/}	Photocopier w/ability to collate, make multiple copies, etc	\$3,000	Would facilitate work of the WTO Reference and Info. Center in disseminating and distributing documents to the public; also important to work of WTO Services Enquiry Point.	\$8,000
							Printer 24 ppm	\$2,500		
							Fax machine	\$1,000		
Economic Studies Unit, MIT	If expanded, then workstations required according to number of new staff.	\$1,800 each workstation; if expand to 10 stations then \$18,000.	New equipment needed to furnish expansion.	Misc. economic data from various sources (e.g., World Economic Indicators, TRAINS).	\$2,000	Required for basic reference and data analysis.	If expanded, then possible high-speed printer, photocopier and fax machine.	As above, if expanded.	If unit is expanded, will require equipment.	\$26,500
Economic Policy Unit, Prime Ministry	If expanded, then work-stations required according to number of new staff.	As above, if expanded.	As above, if expanded.	As above, if expanded.	As above, if expanded.	As above, if expanded.	As above, if expanded.	As above, if expanded.	As above, if expanded.	\$26,500
Ministry of Agriculture	None			None			Fax machine	\$1,000	Currently do not have fax.	\$4,000
							Photocopier	\$3,000	Current machine requires replacement.	
^{1/} Also requested a dedicated Internet leased line for Internet access for quick access to WTO website, which is the main reference for downloading WTO documentation required for daily work of the department; AMIR cannot pay this type of operating cost. ^{2/} To be provided in conjunction with technical assistance to prepare recurrent trade report; requires training of current staff.										

Table C.1 (cont'd)
Government Requests for Hardware, Software and Equipment

Organization	Hardware			Software			Other Equipment		TOTAL
	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	
Information Department, Prime Ministry	Web server	\$20,000	Upgrade	Oracle Developer Tools (Internet Developer Suite) + Operating system + Internet server + Oracle web server.	\$23,000	License for 5 users	None		\$85,500-\$112,500
	Mail server	\$20,000	Upgrade	Operating system + exchange server.	\$7,000				
	Fax server	\$10,000	Upgrade	Fax server software.	\$2,500				
	Firewall	\$3,000-\$30,000	Choice depends on use.						
	Baynetwork switch	\$1,000-\$35,000	Choice depends on specifications.						\$23,000-\$57,000
	Color laser printer	\$5,000	Improve publications.						
	Line Printer	\$12,000	High speed						
	Data show projector	\$5,000	Improve presentations.						

Table C.1 (cont'd)
Government Requests for Hardware, Software and Equipment

Organization	Hardware			Software			Other Equipment		TOTAL
	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	Justification	Description	Approx. Cost (US\$)	
Central Bank of Jordan, Research & Studies Dept ^{1/}	10 PC work stations	US\$1,800 each or US\$18,000 total	Current ratio of PC/user = 1/5	Limdep econometric software	\$2,000 single site license		None		\$27,200
	Laptop PC	\$3,000	Demonstration purposes outside CBJ	Desktop publishing included in MS Office Pro 2000, if purchased separately, then Adobe InDesign	Bundled with laptop, or \$1,500	Would significantly reduce publishing time for monthly bulletin and annual report			
	Network connections to CBJ Library	\$200	Improve productivity						
	Network links between PCs and CBJ mainframe	\$2,500 for 15 links (includes 10 new work-stations) plus cabinet for network	Currently only two PCs are linked to main-frame; resulting in low productivity						
GRAND TOTAL									\$200,700- \$261,700
^{1/} Also requested technical assistance for Oracle programmers; AMIR cannot pay these types of costs.									

Annex D: Meetings Conducted

Organization	Name	Title
USAID	Dr. Jon Lindborg	Director, Economic Opportunities Office
	Mr. Jamal Al-Jabiri	Project Management Specialist – Private Sector
AMIR Program	Dr. Steve Wade	Program Director
	Mr. Brian O'Shea	Policy Component Leader
	Dr. Zaki Ayoubi	Business Associations Component Leader
Prime Ministry	H.E. Dr. Mohammed Halaiqah	Deputy Prime Minister
	Ms. Nida Na'ni	Economic Adviser
	Staff	Economic Support Unit
	Staff	Information Department
Ministry of Industry and Trade	Dr. Ahmad Thogan Hindawi	Assistant Secretary General for Industry and Internal Trade
	Mr. Majed M. Hamoudeh	Head, Foreign Trade Policy Directorate
	Mr. Baha'a Eddin Al-Armouti	Legal Counsel, Foreign Trade Policy Directorate
	Ms. Nasreen Mazahreh	Agricultural Specialist, Foreign Trade Policy Directorate
	Ms. Maha Ali	Services Specialist, Foreign Trade Policy Directorate
	Mr. Lu'ay Jadoun	Economist (Follow-up Obligations, Services), Foreign Trade Policy Directorate
	Mr. Yarub Qudah	Engineer, Industrial Sub-contracting & Partnership Unit
	Mr. Atif Hamdan	Information Technology Director, IT Department
	Ms. Jehan Bermanant	Head, International Economic Cooperation Directorate
Ministry of Planning	Mr. Nasser Shraideh	Director, Technical Support Unit
	Ms. Nesreen Barakat	Director, Competitiveness Unit
	Dr. Khalaf Al-Hadid	Coordinator, Public Sector Reform & National Information System Projects
	Dr. Yusuf Mansur	Senior Adviser, Policy Support & Institutional Strengthening, EU EJADA Project
Department of Statistics	Ms. Siham Ghammouh	Head, External Trade Relations

Annex D: Meetings Conducted (continued)

Organization	Name	Title
Department of Statistics	Mr. Don Eldridge	National Accounts Advisor
Central Bank	Dr. Ghassan F. Ifram	Executive Director, Research Department
	Mr. Omar Ahmad Ali	General Supervisor, Issue Department
	Staff	Research Department
Ministry of Agriculture	Mr. Majd Zakaria	Senior Adviser, SPS & Agricultural WTO Agreements
GTZ Project	Dr. Dieter Kattermann	Team Leader, Promotion of a National Information System Project
National Information Center	Mr. Fadhl Sweedan	Director, Technical Services
Jordan Export Development & Commercial Centers Corporation (JEDCO)	Dr. Moayad I. Samman	Assistant General Director
	Mr. Sultan A. Abu-Nuwar	Technical Director, JEDCO Trade Points
	Ms. Fatima Dijani	Head, Amman Trade Point
Jordan Investment Board (JIB)	Mr. Hussein H. Dabbas	Deputy Director General
	Mr. Elias Farraj	Assistant Director General
Customs Department	Eng. Marwan Gharaibeh	Director of Planning
	Ms. Somaya A. Al-wahoush	IT Manager
International Business Legal Associations (IBLAW)	Ms. Nissreen Haram	Head, WTO Policy Division
Arab Bank	Dr. Taher Kan'an	Head, Research Department
Primus Consulting	Ms. Ruba Nazer	Production Manager, Web Sites for MIT, Customs
Amman Chamber of Industry	Ms. Abeer Fawa'eer	Head, IT Department

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